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DECEMBER 24, 2021

INDIA Forbes

CABLE FABLE

Tracking Inder Jaisinghani's
journey from Mumbai's
Lohar Chawl to debuting
on the India Rich List

RICH LIST RANK

57

NET WORTH

\$3.6 bln

PLUS

**RAKESH
JHUNJHUNWALA:**
FROM DALAL
STREET TO
AVIATION
ENTREPRENEUR



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INDIA Forbes

TEST OF TIME

Seven decades after his father started up a one-lab testing business, Arvind Lal has scaled it to India's most valuable diagnostics services powerhouse

RICH LIST RANK

87

NET WORTH

\$2.55 bln

PLUS

**RAKESH
JHUNJHUNWALA:**
FROM DALAL
STREET TO
AVIATION
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DECEMBER 24, 2021

Forbes INDIA

CLEAN BREAK

How, after turning 54,
Ashok Boob built a
multi-billion-dollar
eco-friendly specialty
chemicals business

RICH LIST RANK

93

NET WORTH

\$2.3 bln

PLUS

**RAKESH
JHUNJHUNWALA:**
FROM DALAL
STREET TO
AVIATION
ENTREPRENEUR

ASHOK BOOB,
MANAGING DIRECTOR,
CLEAN SCIENCE AND
TECHNOLOGY



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Welcome to the

Forbes^{INDIA}

Digital Edition

Roaring with the Riches

In the end I'll have to sell this startup to some other moron—entrepreneur, I mean—and head into a new line... You see, I'm always a man who sees "tomorrow" when others see "today".

Balram Halwai, in *The White Tiger* (2008)

Halwai was on the mark when he foresaw a tomorrow in which entrepreneurship would bloom in India, although he did look at the trend mostly through the lens of the outsourcing boom. ("You should hear some of these Bengaluru entrepreneurs: My startup has got this contract with American Express; my startup runs the software in this hospital in London, blah blah.")

Work from home ensures that one makes these frequent sorties to the bookshelf—and, on occasion, spy a lonesome tome from a past long gone. Staying with the theme of 'seeing tomorrow', *The Roaring 2000s Investor: Strategies for the Life you Want* (1999) by Harry S Dent Jr is packed with advice aimed at fulfilling individuals' long-term financial goals.

My interest in the bestseller had little to do with (belatedly) attempting to build up a nest egg and was fuelled more by curiosity about where India figured in the part on "Opportunities Around the Globe".

It did get but a fleeting mention. After all, Indian markets then were immature, battered by scandal, and predictability in policy and regulation were uninspiring. Annual returns were mostly in negative territory (till a boom began in 2003) and, unsurprisingly, China, Thailand, Indonesia, Malaysia, and the Philippines took precedence over India in Asia. "...I generally favour emerging countries in Asia over India for most investors," wrote Dent Jr.

The picture would change soon, though, and a little over two decades later, it is pretty much unrecognisable

from the vexatious 90s. India's Nifty is today among the top 10 best performing indices in the world year-on-year, with a growth of 55 percent (till October 19). Improving business sentiment and increasing hope and evidence of an economic recovery would explain the 'rising tide lifts (almost) all boats' phenomenon in the India Rich List, a study helmed by Forbes Asia's India Editor and Asia Wealth Editor Naazneen Karmali. India's 100 richest are collectively worth a record \$775 billion after growing their wealth by 50 percent in the past 12 months. For who gained how much, turn to page 30.

You'll also find a few debutants on the India Rich List, three of whom grace our covers. They are not quite in the same mould as Adiga's Halwai, though. A sweet-maker by caste, Halwai eventually became the founder of a successful taxi service, defying all odds to join the few who are able to emerge out of "an India of Darkness" into "an India of Light". As Halwai puts it: "And our nation, though it has no drinking water, electricity, sewage system, public transportation, sense of hygiene, discipline, courtesy, or punctuality, does have entrepreneurs. Thousands and thousands of them. Especially in the field of technology."

A lot would have improved since Adiga's masterpiece was published. Yet, as we celebrate India's Richie Riches against the backdrop of a pandemic that also left millions jobless and poorer, it's not an unfitting time to invoke economists Thomas Piketty, and Abhijit V Banerjee and Esther Duflo: Does a rising share of capital (or wealth) increase inequality as ownership of capital tends to be more unequally distributed than labour income? And, do the poor lead riskier lives than the less poor, more so during a crisis that impacted household incomes in the less formal parts of the economy? The answer may just be blowing in the post-Covid wind.



Brian Carvalho
 Editor, *Forbes India*

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Best,

B Carvalho

STORIES TO LOOK OUT FOR



▲ Ashok Boob (second from left) and family run specialty chemicals maker Clean Science and Technology in Pune; (top) Arvind Lal, executive chairman, Dr Lal PathLabs, has a net worth of \$2.55 billion

REFINEMENT. CRAFTED.

Lexus India has launched the new and refined ES 300h which sees enhancements in design, performance, and hybrid technology



In the span of a few decades, the luxury industry has changed almost beyond recognition. From being a largely material industry, it has now evolved into an experiential one. These have become the must-haves for luxury brands as consumers are seen identifying more with an experiential lifestyle than having a collection of belongings.

Since its launch in India in 2017, the brand has been committed to its guests, creating a niche in the world of luxury lifestyle vehicles, specifically as a leading manufacturer of self-charging hybrid electric vehicles. The spirit of Japanese hospitality- otherwise known as 'Omotenashi' is at the center of the Lexus brand, where every action is rooted in respect & guest's preferences. At Lexus, guests' needs aren't just accommodated—they're anticipated, and this is seen across every segment of the brand, from meticulously designed products to the Guest Experience Centers (GEC), that are designed for guests to experience the Lexus lifestyle from the moment they step inside. The brand's tree-planting initiative aims to offset the carbon footprint of each Lexus car sold in India by planting an equivalent number of trees. This initiative contributes to the brand's global vision of achieving carbon neutrality by 2050.

The latest refreshment in the Lexus portfolio is to its luxury sedan, the ES 300h. The model, that has been the most successful for Lexus to date, is recognized for its sharp & elegant design, renowned cabin quietness, class leading craftsmanship and self-charging hybrid electric technology. The new ES 300h sees refinements that further strengthen these qualities, enhancing the car's styling, drive feel, and responsiveness to provide the amazing Lexus experience.

Furthermore, the rear cabin experience is tailored for comfort and luxury through rear reclining ventilated seats and Lexus climate concierge. The infotainment system is enhanced with a 12.3 inch touch screen display and 17-speaker Mark Levinson Premium surround sound system that truly surrounds all the senses.

P.B Venugopal, President, Lexus India said "We are elated to announce the latest Lexus ES 300h to the Indian market. We are proud to say that the ES 300h has been the most successful model in our portfolio and we believe the new ES 300h will continue to captivate more guests. Being a brand that aims to provide amazing experiences to its guests, we are committed to offer new products with advanced technologies that will benefit our guests and create a delightful Lexus ownership experience. We are confident, with the technology and feature enrichment, the ES 300h will continue to be the favorite choice of our discerning guests and extend its lead in the luxury sedan segment."

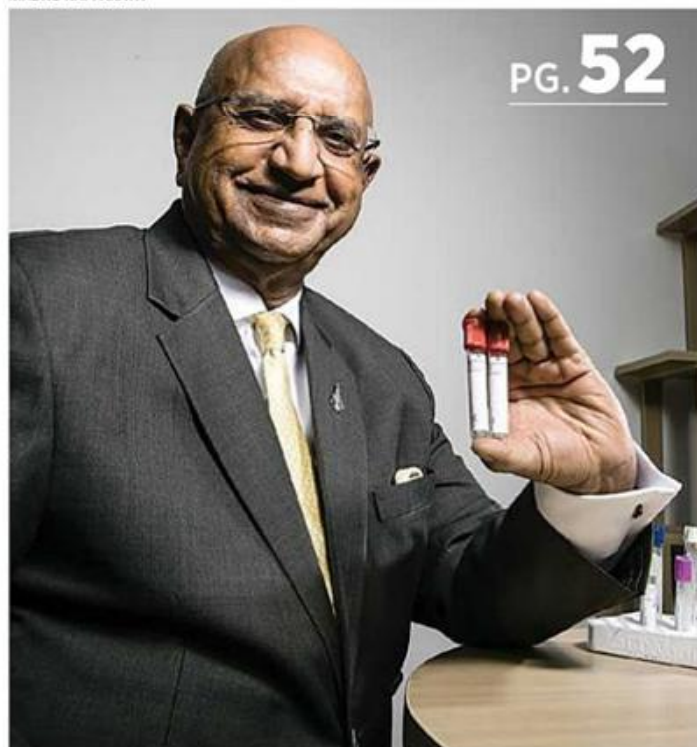
The ES 300h Exquisite variant is available to guests at a starting ex-showroom New Delhi price of INR 56,65,000 and the ES 300h Luxury variant at ex-showroom New Delhi price of INR 61,85,000.

Lexus has consciously built a portfolio of self-charging hybrid electric vehicles in India to showcase its commitment towards the environment while constantly trying to craft a better tomorrow for society. Earlier this year, Lexus India announced the extension of the hybrid battery warranty from five years to eight years for its entire range of Hybrid Electric Vehicles, to enhance guests' peace of mind and the Lexus ownership experience.



THE 100 RICHEST INDIANS 2021

MADHU KAPPARATH



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THE BILLIONAIRE YOGI

Military man Arvind Lal is at the forefront of India's health tech revolution with Dr Lal PathLabs

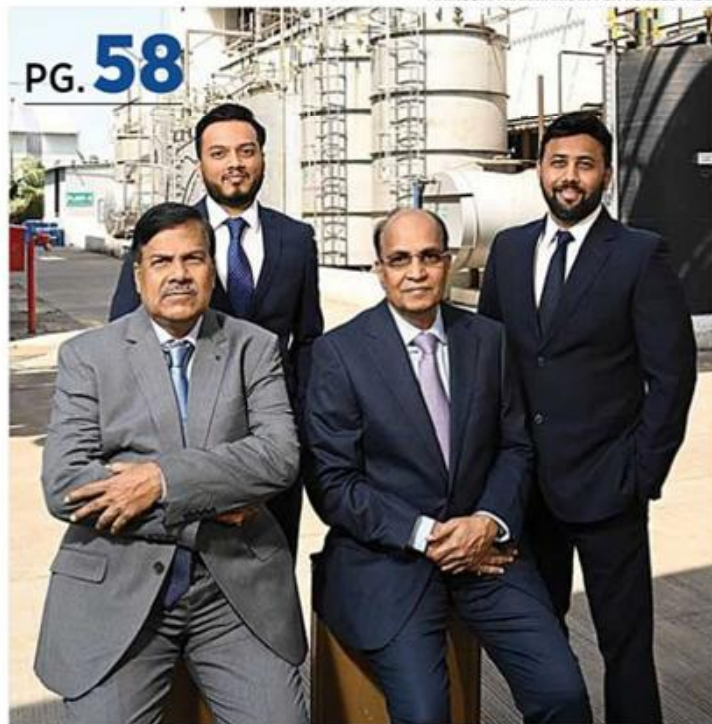


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WIRED TO THE FUTURE

How Inder Jaisinghani, of cables and wires manufacturer Polycab India, battled the headwinds of Covid-19 and made his debut on the Rich List

ANIRUDHA KARMARKAR FOR FORBES INDIA



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CLEANER CHEMISTRY

With a differentiated manufacturing process, Clean Science, led by Ashok Boob (seated, right), has grown rapidly and has a long runway ahead

THE 100 RICHEST INDIANS 2021

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How four former Flipsters flipped the traditional investment logic and entered the unicorn club with their online investment platform. Can they keep growing?

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Hyderabad-based Recykal is solving India's growing trash problem by using digital technology to connect waste generators, processors and recyclers

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Restaurateur Riyaaz Amlani has weathered the Covid storm through his delivery business, and looks set to grow again

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With a net worth of \$19 billion, SII founder Cyrus Poonawalla moves into the top 5 of the Rich List

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Vishal Bali of Asia Healthcare Holdings says the investment platform is a long-term play

REGULARS • 16/LEADERBOARD • 98/THOUGHTS

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Network 18

TO OUR READERS

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Dr. SUNITHA LINGAREDDY, Managing Director

Please give us an overview of your company.

Lucid, a crystal clear vision—is the fundamental attribute of Lucid Medical Diagnostics. Incorporated in the year 2007, we have redefined Diagnostics in Andhra Pradesh and Telangana, which until then occupied the lower rungs of the healthcare ladder.

With the experience and expertise garnered in the field of imaging and laboratory services, we are striving for more precise and timely results, aided by seasoned healthcare professionals, state-of-the-art technology and subspecialized radiologists and pathologists.

Lucid has made rapid strides and expanded to over 62 Customer Touch points which include our Walk-in Centers and Collection points and more than 250 Credit Clients that includes Clinics and Hospitals tie-ups.

Tell us about yourself? What is the role and responsibility you have in the company?

I, Dr Sunitha Lingareddy, am the Managing Director of the company. I oversee the entire Marketing & Operations team; their respective functional heads, who report to me, lead the other departments.

I am a certified Radiologist, having specialized in the field of Radio diagnosis. I initially worked for the prestigious Asian Institute of Gastroenterology (AIG). It was during my tenure there that I noticed a big vacuum in the field of diagnostics, which sowed the thought in my mind of opening a state of the art diagnostics chain to provide quality care under single roof at affordable price and great ambience in the region. This led to the idea of establishing Lucid.

Who are your clients?

Our business model has a strong B2C client base, including Hospitals, Clinics, Wellness Players, and Online Aggregators etc. We serve a million unique retail customers

LUCID MEDICAL DIAGNOSTICS: TIMELY AND AFFORDABLE

Dr Sunitha Lingareddy, Managing Director of Lucid Medical Diagnostics Pvt Limited, talks about her company's success in running a chain of diagnostic centres.

and are the preferred diagnostic partner to more than 75 Corporate clients, including Divis Laboratories, Mylan, Virchow Biotech, Virchow Labs, BHEL, ITC, Evoke Technologies, HCL Avitas, MEIL, Saraca Laboratories, etc.

What makes you different from other people in a similar domain?

We offer end-to-end solutions to patients' diagnostic needs for all Radiology, Pathology, Hematology, Histopathology, Molecular Biology and Genetic related investigations using equipment sourced from OEMs such as GE & SIEMENS. Our widespread reach along with "At Home" services and Wellness clinics, as a part of our Preventive Healthcare program make us the preferred diagnostics choice. Our biggest strength is 700+ strong workforce, including 250+ Radiologists, Pathologists, Technicians etc.

What were the challenges faced by you during the pandemic and how did you overcome them?

Being a part of the frontline, we had to quickly adapt to continue providing diagnostic services. We were one of the first to start RT-PCR testing in Hyderabad. We took all the necessary precautionary measures so that we all were adequately protected while handling samples and running scans. I personally visited the molecular lab several times during the peak of the virus, kept the staff motivated, and energized. We also ensured our frontline workers are vaccinated at the first available opportunity and I am happy to say that we had zero fatalities amongst our staff.

How has your business strategy changed during the pandemic?

Covid taught us lot of lessons, one being that merely maintaining hygiene with good nutrition could help in evading as well as fighting the disease. This is like going back to the Vedic era, which emphasizes the same.

There is definitely an increased prominence of diagnostic sector post pandemic as people have become more health conscious and want to be tested frequently to monitor their health status. On top of that, Home Healthcare is showing a sharp rise, as consumer prefer to get tests done in their private space owing to the safety it provides. With people preferring at-home services, we scaled up our Home Collection services. We have digitized our operations in order to reduce human contact.

According to you, how has the industry changed over the years?

Indian Diagnostic market is staggered with less than 20% being occupied by organized players and the rest being Un-Organized. Slowly, there is a change as larger chains are consolidating their position by acquiring local players. This helps, as larger the chain, more affordable will be the pricing to the consumer due to the economies of scale.

Furthermore, awareness for wellness health checkups has increased among people. We are seeing increasing number of consumers are opting to visit our centers for preventive wellness health checkups.

What are some of your future endeavours?

We would like to expand our services Pan India with specific focus on reaching to Tier-II and Tier-III cities with the motive to provide quality Radiology, Pathology and Wellness services under single roof at affordable prices in our quest to promote the concept of Preventive Healthcare.



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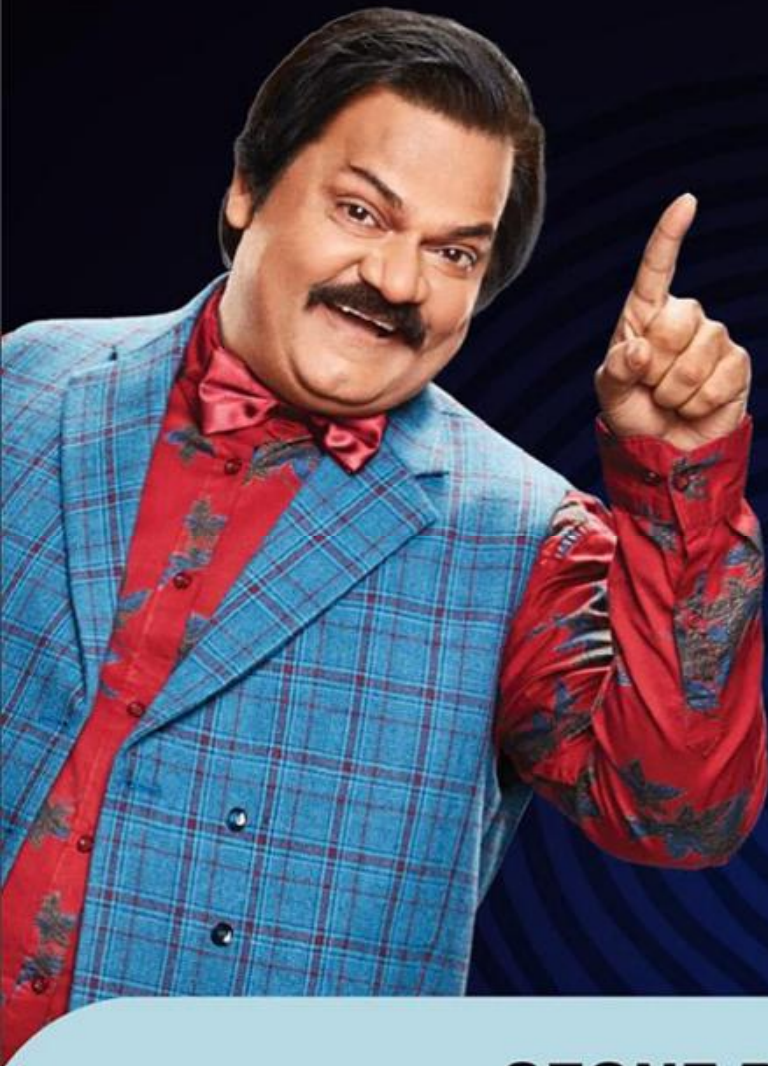
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There's A Party At The Top

India's richest families saw a wealth gain last year, and the cheer is likely to continue **P/20**

'Playlists are Without Borders'

Will Page, former chief economist at audio streaming company Spotify, on his book *Tarzan Economics* **P/24**

'You Can't Give Up'

Harshil Mathur of Razorpay on the person he is after the last email of the day has been sent **P/28**

TOP OF THE LEAGUE

Strengthening His Lead

Reliance Industries Chairman Mukesh Ambani oversaw successful divestments of his telecom and retail businesses and an entry into the green energy space

AFTER A DECADE OF OCCUPYING

the top spot on the Forbes India Rich List, Mukesh Ambani spent 2021 further cementing his position. As his consumer businesses in retail and telecom matured, so did the market expectation of their potential. As a result, the chairman of Reliance Industries saw his net worth climb to \$92.7 billion (₹6,95,200 crore).

In June, the inveterate entrepreneur also unveiled his next growth engine in the green energy space. On the anvil are plans to build four gigafactories in Jamnagar. In addition, Reliance also plans to construct a solar photovoltaic module factory that would convert raw silica into polysilicon and then to wafers. Ambani plans to invest a total of ₹75,000 crore in the green energy space, although details of what the amount will be spent on remain sketchy.

Reliance's valuation is a mix of the legacy hydrocarbons business and the higher terminal values that investors have been ascribing to retail and telecom. Over the last year, there has been a steady stream of news in both these businesses, which has resulted in investors ascribing FAANG-like valuations to the business.

As it gets more conscious on the ESG scale, expect Reliance to attract more investments from ESG funds.

In the retail space, there is the impending buyout of Future Retail, which would give the company an

unassailable lead in India's rapidly evolving retail landscape.

JioMart, its delivery service, competes against Amazon, Flipkart and BigBasket, giving it a toehold in the grocery delivery market that is expected to grow at 25-30 percent a year for the next decade. "They seem to be making the right moves," says Ambareesh Baliga, an independent market expert. He cites the recent decision to partner with 7-Eleven for a network of neighbourhood stores challenging kiranas.

As it prepares to build out these businesses, RIL raised ₹47,265 crore by selling a 10.09 percent stake in Reliance Retail Ventures to a clutch of investors (Silver Lake, KKR and Mubadala, among others) in 2020.

The stake sales in both retail and telecom, where it raised ₹199,320 crore, have transformed RIL's balance sheet and positioned it for the next leg of growth. Borrowings are down from ₹355,000 crore in March 2020 to ₹270,000 in March 2021, making it a net zero debt company.

Apart from green energy, Jio promises to be another significant investment area on Ambani's to-do list. It now has the advantage of being the largest carrier by subscribers in

The Reliance Numbers



SOURCE: BSE, sales and profit for FY21

BOOSTING THE BRAND – LOUD AND CLEAR

Jabra is expanding its wings to build a stronger brand image and up its market share in India by leveraging on the most advanced technology in the audio/video space for improving communication and providing hassle-free access to meetings in a remote setup...



Keeping up with the technological requirements of the work-from-home environment—in the wake of the Covid-19 pandemic that has taken the world by storm—Jabra has geared up to offer better audio and video solutions for enterprises. Jabra acknowledges the idea of hybrid meetings, which are most likely to rule the corporate world for a considerable amount of time. While physical distance and remote working procedures are challenging enough, an added inconvenience of incompetent audio/video systems can hamper productivity and lead to significant losses. With an increase in the use of intelligent audio/video devices, Jabra's enterprise products solve a majority of challenges that business leaders are currently encountering in their return to the office. Problems such as connection difficulty, inconsistency, disturbance, or lag in audio and video can lead to unnecessary exhaustion.

Over the last year of increased remote working and employees collaborating over Microsoft Teams or Zoom, people are gradually recognizing that while they had set up key tools for work, productivity was being compromised due to lack of the right audio equipment – as majority of workers are using consumer headsets or corded accessories to fulfill work needs, instead of professional headsets.

Jabra's recently conducted Enterprise survey across 10 countries revealed that in India, close to 50% of the respondents use Consumer grade headsets. The main reason for not using an enterprise headset for work is not being offered a headset by the company. Consumer headset users are receiving more complaints about audio quality when attending online meetings than enterprise headset users. Some of the top complaining factors include - connectivity (54 percent), sound issues (42 percent), and delayed audio (35 percent).

Jabra strives to revolutionize the virtual collaboration technology and their professional range of devices enables the users to remain connected, be flexible, and work from anywhere. Some of the key features from their range of products which earns them a reliable name in the audio/video device segment are active and passive noise cancellation, extended battery life, HD voice quality, leak-tolerant 40mm speakers, enhanced all-day comfort with soft memory-foam ear cushions, outstanding call performance, 4k video, whiteboard sharing, and intuitive camera technology. Such features are instrumental in making work-from-home more productive as they shut out the background noise of daily household chores and improve sound quality of the words spoken, thereby helping in maintaining clear lines of communication. For instance, by using Jabra's enterprise audio/video devices, people who work remotely can continue to give uninterrupted presentations which is as good as someone delivering them in person without any hassles pertaining to dynamic idea sharing and battery limitations.

Amidst the current work-from-home scenario, businesses are compelled to rethink conference room upgrades and are opting for the right technology to improve a company's overall efficiency and performance in the market, as well as improve employee productivity, collaboration, communication, company-wide engagement, and morale. Some basic technological upgradations can significantly improve the chances of functioning without any hiccups and continue to bring growth to an organization.

The next evolution in hybrid working set-ups require high quality, enterprise grade audio devices especially for people who are on the phone most of the day. Businesses need to keep up with this demand and evolution – as being able to communicate efficiently and being easily understood is essential. Investing in headsets today to meet your employees' requirements will pay dividends down the track. Jabra's wide range of enterprise products including Jabra's Evolve series for Office use, Biz and Engage series for Contact Centric use, and Panacast and Speak for Collaboration – are products that provide targeted solutions to customers' pain points and needs.

For Jabra, India is an important market with a vast number of MNCs and robust communication requirements. Jabra has witnessed exceptional growth over the years and works vigorously towards introducing products and solutions which solve real-world problems.

Jabra's wide range of enterprise products includes:

- Evolve series for Office use
- Biz and Engage series for Contact Centric use
- Panacast and Speak for Collaboration





a consolidated three-player (plus BSNL) market. The industry has fought a debilitating price war since 2016 when Jio first launched its services. Average Revenue Per User (ARPU) has trended down, while capital expenditures for licence fees and network rollouts and interest payments have risen.

There are now signs that the industry should once again see ARPUs trend upwards, although estimates on how high they

could go vary widely. Jio has seen its ARPUs move from ₹145 to ₹143.6 in the year ended September 30, 2021.

AMBANI IS NOT LIKELY TO RELINQUISH HIS NUMBER ONE SPOT ON THE RICH LIST ANY TIME SOON

It is now putting in place plans to take its lead in telecom to build moats around a variety of businesses, from entertainment to smart homes and e-shopping to telemedicine. There is also the impending launch of a smartphone in partnership with Google that could lock in value conscious subscribers.

Lastly, there's the legacy hydrocarbons business where Saudi Aramco has been brought in as a partner with a \$15 billion (₹1,12,500 crore) investment. While due diligence on that investment is pending and the fate of the deal is unknown, the business holds promise as Ambani plans to convert it into an oil to chemicals play. Its refined petrochemical products form the feedstock for a host of specialty chemicals and once the company announces the products it plans to manufacture the market could re-rate that business as well.

For now, Reliance Industries is still priced using a sum of the parts valuation metric. While the legacy hydrocarbons business is a drag, the new age telecom and retail businesses have been ascribed higher terminal values by the market. At a market cap of ₹17,21,000 crore, it has surpassed rival Tata Consultancy Services valued at ₹13,33,000 crore. The stock trades at about 30 times FY22 earnings and a return on equity of 8 percent.

Baliga, the independent market analyst, says that the company has a good story to sell, but is cautions that it would be imprudent to extrapolate current valuations too much into the future. "This is a market where every (story) is selling," he says, while agreeing that RIL has a lot going for it. Still, a rise in interest rates could result in valuations compressing.

It is hard to see Ambani relinquishing his number one status on the Rich List any time soon. Over the next 18 months, expect Ambani to unveil further value-unlocking steps in his empire.

Independent market flotations of the retail and telecom ventures are almost certain. Investors could be brought in to finance RIL's green energy bets, mark an end to RIL's decade-long investment cycle. Investors who have been so far patient may be rewarded with higher dividend payouts.

• SAMAR SRIVASTAVA

FIXDERMA: AN ELIXIR FOR SKINCARE

Fixderma Skincare and their super premium range FCL has been scientifically formulating and developing cosmeceutical products at their state-of-the-art—ISO 22716:2007 GMP Certified—manufacturing unit spread over 55,000 square feet in Neemrana, Rajasthan, since 2008.

Bridging the gap between cosmetics and pharmaceutical products, cosmeceuticals are highly effective solutions containing active ingredients that actually alter the way the skin works and not just its appearance on the outside. The CEO and Founder, Shaily Mehrotra says, “designed to improve skin health, repair damage that causes specific skin conditions and visible signs of aging, we at Fixderma, formulate products that contain biologically active ingredients that have proven, clinical benefits.” She further adds, “these active ingredients can reach the deeper layers of your skin when applied topically and allow them to make noticeable changes in the skin.”

To create unique formulations with demonstrated clinical efficacy Fixderma has collaborated with leading biophysicists, clinicians, plastic surgeons, and dermatologists. The workforce at the manufacturing unit is GMP trained and is aware of customer expectations. They guarantee the highest level of quality and strict compliance with all product stability standards. The products are tested rigorously on various grounds such as performance and microbiological evaluation. They have maintained complete transparency in providing technical and product information for each of the products on their website, to assist their consumers in making an informed product choice.

Assuring zero usage of any harmful filler ingredients, Fixderma uses only raw, active, and clinical-grade cosmeceuticals. Only bioactive raw ingredients are utilized in the manufacturing process that work synergistically with other key active ingredients to create powerful and lasting results on the skin. Furthermore, their specialty serums are pH optimized to ensure absolutely no harmful effects. The task of ensuring product quality does not end at manufacturing an effective solution but it also involves high-quality, consumer-friendly packaging.

All FCL range of products are packaged in double-walled, airless pumps which prevent wastage, contamination and improve functionality. “The powerful benefit is extended shelf life since the design keeps unused product shielded from air, so the product has a reduced risk of oxidation. It also prevents users from scooping the product with dirty fingers and/or forgetting to close the lid, thereby avoiding any kind of contamination,” explains Shaily Mehrotra. She further said, “It allows for the product to be dispensed at any angle, which helps the consumer use over 99% of the product constructively.”

Prioritizing Holistic Development of Skin Health

With prevention, protection, and correction being their core principles, their products aim at providing the healthiest skin possible and optimal antiaging effects. As a producer of advanced skincare products backed by science, their USP lies in research and innovation, which tries to fix several skincare woes such as acne, dry/oily/combo combination skincare conditions, and provide protection against the sun.

Growth has always been on the forefront of our business planning.

Fixderma intends to expand sales network and enhance brand awareness, to accelerate growth. Fixderma has ameliorated its online presence and connectivity with its customers. Fixderma is betting big on sales &



Shaily Mehrotra, CEO and Founder

marketing team so that the brand is easily accessible to dermatologists as well as consumer pan India.

Shaily Mehrotra adds “The market is accelerating, thanks to digitalization as beauty and digital are really a perfect match.” She further adds “Digital is also strengthening our power to connect with consumers... and beyond digital, new technologies around data and Artificial Intelligence are opening new horizons. Curating a different kind of relationships with consumers is critical for Fixderma skincare as the consumer now is savvier and more aware of ingredients & claims.

International presence

Fixderma is present in 35 countries, among them Vietnam, Nepal and Malaysia have given exponential growth. In countries like Vietnam & Nepal Fixderma has become a household name, besides strong presence of Korean brands Fixderma has been able to win trust & loyalty of its customers. Company is expecting 50% growth in exports since the countries which were affected by Covid will also recover.

A long way to go

In the growing sophistication of the Indian consumer, Fixderma's three principles viz. prevention, protection and correction have worked synergistically to provide the healthiest possible skin and optimal anti-aging effects.

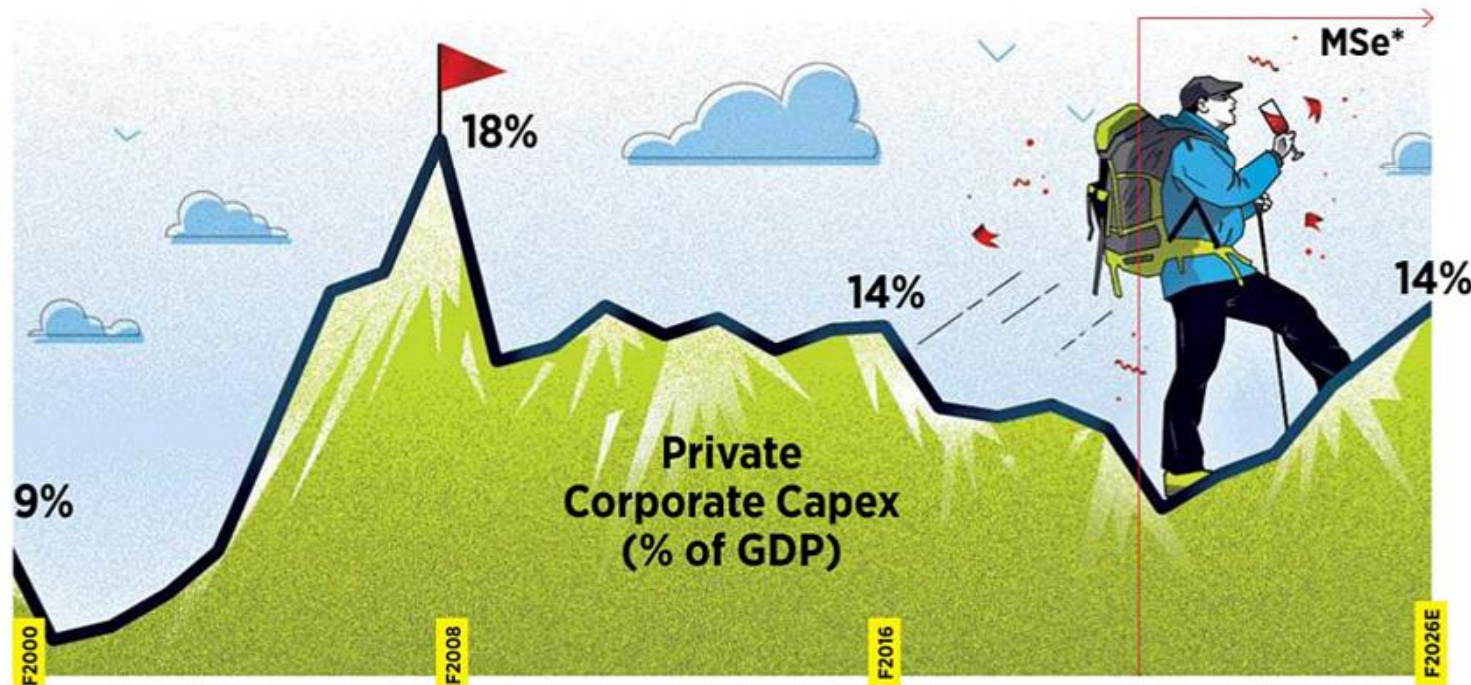
Born with a vision of transparency and innovation in the skin care industry, Fixderma is buoyant to reach new heights in the coming time.



MARKETS

There's A Party At The Top

India's richest business families saw gains in wealth in the past year. The cheer is likely to continue with a gradual normalisation of demand and spending, and a sustained economic revival in sight



SOURCE: Haver, Morgan Stanley Research forecasts; * Morgan Stanley estimates

THE SOARING STOCK MARKETS— now at lifetime highs—pushed up the combined wealth of business families on the Forbes India Rich List 2021 to a record \$775 billion, an over 50 percent jump from \$518 billion a year earlier.

This came as the Indian economy and stocks have recovered from two pandemic waves, the first in September last year and the second this May. A sustained vaccination drive, which has seen 1 billion Indians get vaccinated, has led to a lowering in severity of cases. The unlocking of business and trade by state governments is leading to a normalisation of demand and spending.

The 2021 Rich List data shows that the top five gainers, in absolute terms, were Gautam Adani, Avenue Supermarts DMart's Radhakishan Damani, OP Jindal Group chairperson

emeritus Savitri Jindal, HCL Technologies' Shiv Nadar, and Arcelor Mittal's Lakshmi Mittal. Adani gained \$49.6 billion, as shares of his six listed companies rose between 73 and 600 percent over the past year.

Damani's wealth rose by \$14 billion, as his supermarket chain continued

to grow, with 221 DMart stores, including 22 in the financial year. Jindal's wealth rose by \$11.4 billion, as group companies, including JSW Steel (headed by son Sajjan Jindal) and Jindal Steel & Power (led by Naveen Jindal) gained substantially.

Vaccine manufacturer Cyrus Poonawalla, who has founded the unlisted Serum Institute of India, broke into the top five after it launched the Covid-19 vaccine Covishield, developed along with AstraZeneca and Oxford University in the UK.

The rest of the billionaires have seen a jump in their wealth as pharmaceutical, health care and diagnostic laboratory businesses grew during the pandemic. IT and technology-enabled companies, such as HCL Technologies and Wipro, witnessed rapid gains in business and fortunes.

Some of the Fastest Moving Stocks

	Sep 17 2020 (in ₹)	Sep 17 2021 (in ₹)	% change
Adani Total Gas	200	1,411.95	600
Deepak Nitrite	846.5	2,414.85	185.2
Adani Power	37	99.85	170
JSW Steel	287.5	682.05	137.6
Avenue Supermarts	2,138.40	4,241.90	98.3
HCL Technologies	808	1,264.15	56.4

SOURCE: BSE, Moneycontrol



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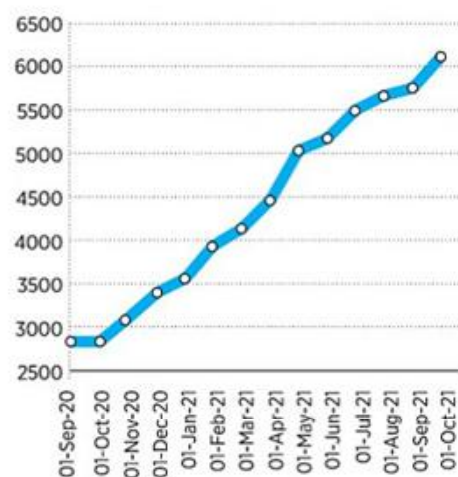
Besides, the booming specialty chemicals industry led to the entry of three newcomers on the list: Ashok Boob of Clean Science and Technology, Deepak Mehta of Deepak Nitrite, and Yogesh Kothari of Alkyl Amines Chemicals.

The demand for specialty chemicals is likely to continue in the coming years, with Indian businesses planning for higher manufacturing capacity build-up in India to capitalise on the problems Chinese makers are facing due to stringent local environmental laws. While valuations for specialty chemicals continue to look stretched, growth will continue. From a stocks perspective, "valuations will not correct too much if earnings growth follows through", says Samit Vartak, founder and chief investment officer of fund house SageOne Investment Managers, which caters to high income individuals.

Construction, building materials, real estate and export-oriented businesses are also likely to expand in coming months. "Inventory levels in housing is among their lowest and prices are sluggish, which will all start to change as demand continues to improve," Vartak tells *Forbes India*. The need for larger and second homes is a real need for several families in the

Wealth Creation Through The Indices

S&P BSE Basic Materials Index



SOURCE: BSE

pandemic world.

The boom in information technology and ITes continues to keep the 'big four' IT firms—TCS, Infosys, HCL and Wipro—in the news. All these companies have aggressive hiring plans drawn out for the current fiscal year, having already hired over 1 lakh people combined in the first six months of FY22, due to strong demand for orders and a high attrition rate.

"IT companies are besieged to meet the rising demand," says Gautam Duggad, head of research (institutional equities) at Motilal Oswal Financial Services. Duggad is also confident of the banking and financial services segment. Lending companies are seeing increased collection efficiency and disbursement activity in loans after a few sluggish quarters, and asset quality is unlikely to deteriorate alarmingly from current levels, analysts say.

Consumer discretionary demand is also starting to pick up and will continue to improve in the coming quarters, assuming that India manages to have more control over a possible third wave. Duggad, like Vartak, is equally confident about the demand for specialty chemicals and API-led pharma, but finds valuations stretched. "We are advising our clients to stay invested in companies with good business models, strong balance sheets and leadership positions in their respective segments," he says.

The fundamentals are starting to emerge as huge positives for India. With tight cost-focus, less leveraged balance sheets and improving cash flows, corporates are in a better position to start spending on capex. "We see fundamental drivers that will improve productivity growth and corporate profitability. Exports and private sector will now drive

the recovery, while the government is withdrawing fiscal support in a counter-cyclical manner," said Chetan Ahya, chief Asia economist for Morgan Stanley, in a note to clients in October. In particular, he believes that a "strong capex cycle will unlock the path towards a self-sustaining recovery" (see graph). This would be similar to what India witnessed in 2003-2007.

WITH TIGHT COST-FOCUS, LESS LEVERAGED BALANCE SHEETS AND IMPROVING CASH FLOWS, CORPORATES ARE IN A BETTER POSITION TO START SPENDING ON CAPEX

The other positive is that the government, alongside, is continuing with fiscal spending on key infrastructure projects. Public and private infrastructure spending is expected to be, on an average, 6.6 percent of annual GDP in the period (see graph). As it stands, government spending (by both the Centre

and the states) has accelerated to a six-year high as of August 2021 on a 12-month trailing sum basis.

Despite the stretched price valuations, which worries investors, "market crashes rarely happen just because valuation multiples are at extremes", Vartak said. But the benchmark 30-share BSE Sensex fell 1,247.77 points or 2.04 percent to 60,967.05 on October 25, from a high of 62,214.82 on October 19. For the first time in several weeks, intra-day highs have not sustained and stocks such as HUL, Asian Paints, NTPC, L&T and Tata Steel have all come off their recent highs, as investors have locked in gains from previous weeks.

External factors such as the US Federal Reserve tapering or starting to hike interest rates again, China's debt concerns or local inflation concerns are unlikely to cause major crashes, though corrections cannot be ruled out. The real fear would be when rate cycle starts to peak and the down cycle starts, Vartak said, but this is still "a few years away".

• SALIL PANCHAL

NURTURING YOUTH FOR A BRIGHTER FUTURE

Amrita Vishwa Vidyapeetham empowers students to face future challenges through its value-based and advanced techno education system.



Amrita Vishwa Vidyapeetham is the brainchild of world-renowned humanitarian leader and spiritual teacher, Sri Mata Amritanandamayi Devi, Amma, who is the beacon for the institute in her position as Chancellor. Under her guidance, the university has turned into a creative and progressive ecosystem of the latest advancements and discoveries in combination with compassion and service-mindedness. The institute offers undergraduate, postgraduate, and doctoral programmes in Engineering, Business, Medicine, Dentistry, Pharmacy, Nursing, Journalism, Biotechnology, Information Technology, Arts and Sciences, Health Sciences, Teacher Education, Microbiology, Hospital Management, Visual Media Studies, Mass Communication, Social Work, Nanosciences and Ayurveda.

The transformation of the Indian education system

Technology has become an integral part of the education system today, and with NEP 2020 and a blended system of education, the system has transformed into an experiential one, with more focus on 21st century skills like critical thinking and problem-solving. The future of education is more learner-centric and well-rounded than ever before. Covid-19 has forced schools everywhere to switch from a traditional to digital platform, and the digital divide and inequality came to the forefront even more prominently. Amrita University has undertaken multiple initiatives to ensure that there is no long-lasting effect of the pandemic on the education, health, and nutrition of children.

Br. Maheshwara Chaitanya, Chairman of the Undergraduate Admissions of the School of Engineering, says, "At the onset of the pandemic, the university quickly launched a webpage offering all necessary and vital pandemic and health-related information to its students, faculty, and community at large, including steps to prepare for and mitigate the impacts from COVID-19. The central goal was to support the health and well-being of the entire university community. The webpage also provided answers to FAQs, as well as health information

sourced from certified resources."

With 15+ years of teaching experience in the computer science domain at Amrita University, Maheshwara has put in his best efforts to encourage and build contests and events around competitive programming and modern technologies. He has also encouraged practices related to research-based education and inculcated advanced technology in the curriculum. Bringing awareness and helping students to choose a career that is best suited to them from all perspectives has also been his area of focus, and he has initiated interactive sessions and programs to support the same. Br. Maheshwara has addressed 6,000+ school students, guiding them with choosing a career.

Providing value-based education

The USP of the institution is their value-based education. The institution insists on having uniformity amongst its students, which gives them equal opportunity. At their Live-in Labs project, students are taken to villages, where they are introduced to their real-life problems of villages, which they help to solve. Apart from this, Amrita Vishwa Vidyapeetham has collaborated with 16 international institutes across the globe.

Driving digital transformation

Before the pandemic, the admission process at Amrita Vishwa Vidyapeetham was 50% online, but now the entire process has moved online. "We conduct phased examinations, which means we give students multiple opportunities to score higher marks. So, if any student is not satisfied with their marks, they can attempt again to score better. The best part about the exam is that it is a fully online test. Students can book a slot at their convenience and give an exam," says Maheshwara.

Working in pandemic times

With the job scenario severely impacted, the institution ensured that maximum students were able to receive placement and internship opportunities before the Covid-19 pandemic. Their CIR cell is in regular touch with prospective companies and has successfully integrated with them to build an online placement process. Companies are given access to online profiles of students and invited to conduct interviews through video conferencing.

"Today, 91-92% of our students are getting placed. The highest salary so far is 56.95 lac per annum. The average salary comes around 6 lac per annum. The reason behind this is that we give ample opportunities to our students, such as the incubator by Cisco, that helps them to be innovative and try out new ideas by experimenting. This gives them practical knowledge along with theoretical knowledge. It helps them perform better at the job interview," adds Maheshwara.





‘Playlists are Without Borders’

Will Page, former chief economist at audio streaming company Spotify, on his book *Tarzan Economics*

INTERVIEW

WHAT WE LEARN

from the music business tells us more about who we really are, compared to other media industries, says Will Page. On ‘From the Bookshelves of Forbes India’ podcast, the former chief economist at audio streaming company Spotify talks about his book *Tarzan Economics*, which takes a leaf or two from the music industry to explain how lessons from there can be used by anyone to disrupt an industry. Edited excerpts:

Q When did you decide to write this book?

My passion has always been teaching economics, about how you get this somewhat scary subject across to an audience that does not want to know about it, but has

“IT MAKES TOTAL RATIONAL SENSE FOR SONGWRITERS TO WRITE SHORTER SONGS.”

to know about it. Due to the pandemic, everybody is staring at disruption. Everyone is staring at what I’m going to call their

‘Napster moment’. The Napster moment was back in June 1999, when the music industry globally was going through illegal file sharing—the concept that you could go into the internet and find any song you wanted—and the entire business was upended. We lost the right to control copying with file sharing.

So the driving force of the book is that we have had a 20-year headstart in music dealing with this level of disruption... we were the first to suffer, and the first to recover. So I have come up with eight principles that I have learnt on that journey that everyone else can apply for their lives, through organisations, political institutions that are also having their Napster moment. This book is to help those people navigate that level of disruption.

Q Why are musicians making shorter songs these days, and why does a singer get paid only if a listener sticks to a song for 30 seconds?

This is a chapter called paying attention. It is what we say in English, the currency of paying. It represents how our



BAY DATACOM SPECIALIZES IN PROVIDING ENTERPRISE IT INFRASTRUCTURE SOLUTIONS

Bay Datacom Solutions Pvt Ltd. was established in 1998 to provide Enterprise IT infrastructure solutions and services across India. In 2007, the company was taken over by the new management team headed by Late Shri Chalapathi Rao as Managing Director. His vision to connect people with technology changed the company's approach, mission, and GTM strategy. This resulted in Bay Datacom Solutions Pvt Ltd Alias BDC a well-known name in the Indian market for its excellent service and support model for COTS & NON-COTS range of portfolios. The company's focus lies in defense, government and education verticals. Post the sad demise of Shri Chalapathi in 2020, his wife Shilpa Rao has taken the lead to keep his vision alive. She has strategized the business with new reforms, processes, and engagement experience to clients with trust and transparency. She ensures stabilization, and safe future operations to open a new world of opportunities for achieving the company's mission.

Today, the company has a 4000+ customer base across all the verticals. However, BDC has strong footprints in Defense, Space & PSU's. They have clients like Indian Air Force, Indian Navy, ISTRAC, ISRO, IIM-Trichy, Indian Army, Bharat Electronics (BEL), Electronics Corporation of India Limited (ECIL), Railtel, ITI Limited & TCIL, etc.

About the Managing Director

Shilpa Rao, Managing Director at Bay Datacom, is responsible for the complete management of the company. She gets involved at micro and macro levels to ensure transformation. She has been reshaping the business by the simplifying structure, improving technical capabilities, and positioning it for the growth of the organization in different verticals. Her primary aim is to increase the integration, performance, and productivity of employees. Her son, Aryan Kalyanam, plays a prominent role in BDC on a day-to-day basis. He has been supporting Shilpa in various departments like finance, HR, and public relations. This duo has been consistently performing at all times.

Bay Datacom delivers Enterprise ICT Infrastructure that plays a critical role and drives ecosystem-based innovation. They have rich domain knowledge that helps them to deliver solutions to customers effectively. Their consultancy approach differentiates them from their competitors. "We form go-to-market alliances, specialist partnerships for niche technologies, and partnerships for specific customer requirements," says Shilpa.

Impact of Immersive Technologies

The global pandemic has changed the way companies operate today. It accelerated digital transformation and put customer experience (CX) in the spotlight. Companies are learning to stay in business & focus on their customer's needs in the ever-changing dramatic business environments. As the convergence of the physical and virtual world is blurring, immersive technologies such as virtual, augmented, and mixed realities are creating a differentiated customer experience.

"Businesses are increasingly deploying immersive technologies to drive efficiencies for a strong return on investment. If we think of the advantages of digital twins and VR access and monitoring to increasingly automated production facilities, we can see gains in efficiency, accuracy, and more timely interventions at the manufacturing level. Immersive technology has the potential to transform the way these industries create, present, and alter perceptions of their physical surroundings and supplemental experiences



Shilpa Rao, Managing Director, Bay Datacom

and opportunities for interaction," she asserts.

As a system integrator, Baydatacom is formulating strategies to utilize the key benefits of these immersive technologies, thereby delivering the best customer delight and experience to enhance the efficiency of the operations. They have domain-specific customized solutions, a focused vertical business approach, and value-added solutions to create a unique selling experience for their customers.

"We encourage our employees to upskill their domain knowledge consistently through various education programs. The vertical approach helps them stay focus to achieve the organization's goals. We provide work-life balance and timely support to all our people," she explains.

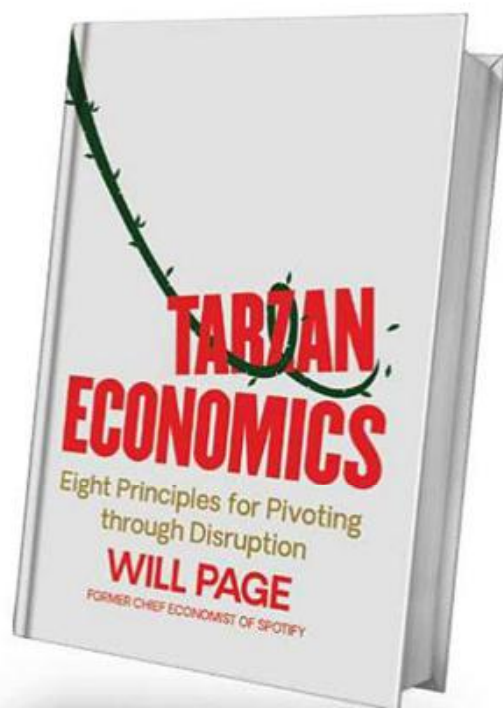
Future Outlooks

BDC believes in constant knowledge acquisition of emerging technologies. They aim to grow as an enterprise with sustained innovation in quality and the customer experience in every line of business of ICT products and solutions. The company is in the process of building world-class infrastructure, quality processes and corporate governance with an objective to grow in their verticals and further elevate the organization as a well renowned public listed organisation. They are planning to expand their business in other verticals like health care, utilities, smart cities, and e-governance.

Shilpa concludes by saying, "Believe in hard work and commitment. When you are sincere towards what you do, success follows automatically. Have clear domain knowledge and a wide range of solutions and product spectrum to compete in the market for diverse opportunities.

time has value and in that chapter, I am talking about how scarce our attention has become. How everybody is competing for our time, and if somebody wins our attention, it means everyone else loses and has less attention to compete for, and it is affecting music. In one of the songs, it is two minutes and eight seconds before you hear Bono's voice. Do you think today's millennials would wait two minutes and eight seconds before the voice comes in on a song? They will be skipping, and it is a case of streaming. It is affecting how songs are being written and recorded. First thing is, they are getting shorter, way shorter. Songs are generally lasting two minutes, 30 seconds, two minutes, 45 seconds. Second thing is the choruses are being moved to the front. That is explained by the streaming economics business model, which says you only get paid if you have been played for more than 30 seconds. I do not want you [the listener] to skip that song. So I am going to put the catchiest part right at the front to make sure that you go for 30 seconds. Second thing is you do not get paid a penny more for lasting one second more. So all of a sudden now, it makes total rational sense for songwriters to write shorter songs with a chorus at the front.

Q You have had the hot seat of looking at how numbers play in the music



industry. What are most quirky things you have noticed over the years?

One thing with India, which is quite interesting, is before stepping down from Spotify to write the book, we had our first global chart. I am always saying playlists are without borders. You could be in Lima in Peru listening to K-pop, it does not matter. We do not look at nationalities or cultures the same way we used to. But it was interesting to see that on the global chart, the first time ever, we had global streams funneled into one chart and the Indian artists were always at number one.

Q You have written about eight pivots in your book. Could you explain some of them?

In *Tarzan Economics*, the number one principle

"YOU HAVE GOT TO REACH OUT TO THE NEW VINE AND OVERCOME THE FEAR OF THE UNKNOWN."

is simply giving you the confidence to let go of the old vine of doing business. You have got to reach out to the new vine and overcome that fear of the unknown. Now because of the pandemic, you just cannot hold on to the high street model anymore, given that ecommerce has taken off. Number two, paying attention, we have already discussed briefly. We all have less time to compete for free. Principle number three is drawing a crowd. In today's marketplace, the gatekeepers are gone. You need influencers who think to go viral from the

bottom up, as opposed to the top down. There's a wealth of information out there. So how are you going to stand above that noise? The old rules do not apply anymore. The next concept is about pivotal thinking. It is possibly the most challenging topic, and definitely relevant to [Narendra] Modi's administration, which is what do you do about regulating tech? Lots of people talk about tech like their monopolies. What I see is that tech monopolies expand output and reduce costs.

The next principle is judging the state we are in. For example, the recovery as we come out of this pandemic. Very important to think about that; because you could measure the recovery by tracking position, you should perhaps, but you would not want to. Then, lastly, just the addiction to big data. Please do not just understand data points, but understand the consumer that created those data points. If we can sow that seed, companies and tech startups today will be in a better place. How many people in companies know where their customer support teams are? And you know you have a problem if they do not have that answer.

• POOJA SARKAR



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SIMPLIFY3X

SIMPLIFY3X: THE MOST PROMISING SOFTWARE TESTING PRODUCT COMPANY

We live in the age of information technology. Every website, software and app we use needs to be rigorously tested and quality assured at launch and updates to keep up with the ever-changing user expectations and security issues. This is a big challenge and only a few software test automation solution providers can address these real-world challenges before the software industry. Although many Indian firms have attained worldwide recognition in the field, only a few of them have done so through their groundbreaking software products.

Simplify3X Software Pvt. Ltd. is one of the exceptions, establishing its reputation on its success and worldwide acclaim of its software product, SimplifyQA.

GENESIS

Simplify3X began operations in 2015 and in 2016, it introduced a unified software testing platform 'SimplifyQA'. Since then, it has assisted numerous software development firms in taking control of their software testing process and automating them for higher efficiency and ROI.

The company launched a branch office in Malaysia in 2017. By the close of 2018, the firm had sold more than 500 licenses. Operations were expanded to the US in 2020 with a branch office in Orlando, Florida, to mark its presence in the world's most important software market. Company's success in the international market may be assessed with the fact that its turnover crossed \$ 3 bn last fiscal.

Simplify3X Vision

Simplify3X has always sought to improve software test engineering. The company's flagship product, SimplifyQA, is a one-stop solution for all software testing needs. It is a comprehensive ALM tool, and the company has worked tirelessly with a laser-like focus over the years to enhance its features and make it more robust.

The company's success may be attributed to the Founder and CEO, Vijay Daniel, and his team whose hard work and dedication have transformed Simplify3X into a powerhouse for its globally - recognized platform "SimplifyQA" and its other product, "SimplifyOM."

While both solutions have found widespread acceptance in the Indian, Malaysian, and US markets, they have also garnered the company numerous awards, including APAC CIO Outlook's recognition of Simplify3X as "The Company of the Year."

The Future

Daniel is strongly determined to see SimplifyQA emerge as the preferred platform for large enterprises seeking a testing solution that addresses all their challenges. "We're making significant progress on our planned roadmap for comprehensive and next-generation software features. We aim to strengthen and offer a world-class product that is robust enough to deliver ALM solutions across industries," Daniel emphasizes.

A 'Hungry for innovations' leader

Daniel's assertion about the future matches his true self that is always hungry for new challenges and innovative solutions. This quest for



Vijay Daniel, Founder and CEO

challenges only had seen him set up his business in testing and quality assurance.

Talking about his entrepreneurial journey, Daniel says, "I was always enthusiastic about entrepreneurship and the digital space because of the problem-solving options. So, I was naturally drawn to this." However, like all entrepreneurs, he had to initially encounter the challenge of developing a business idea and standing by the vision.. Another major challenge was funding and then the competition.

The 'Nadal' factor

The man who draws inspiration from ace tennis player Rafael Nadal pleads that his mission is to provide efficient service and solutions and he wants to further develop groundbreaking software products to further his mission.

Father of a son and husband of a writer, Vijay is highly motivated and a very confident person. He believes in 'passion, vision, and execution' along with the prowess to learn quickly and deliver effectively under pressure. Like his idol Nadal, these attributes have helped him succeed in most challenging situations.

Logical, practical, and out-of-the-box thinker Vijay Daniel is himself a sportsperson. Ever since his school days, he has won many awards and recognition in various sports like football, athletics, and badminton. He was chosen the 'sportsperson of the year' at inter-school competitions.

He says, "Sports honed my abilities. As a sports person, I understand the value of hard effort, collaboration, adaptation, achieving goals, and humility. Integrating these abilities into the professional space has improved my professional life and personal relationships."



INTERVIEW

'Perseverance is Important. You Can't Give Up'

Harshil Mathur, founder and CEO of Razorpay, on how karate shaped his personality, watching movies with friends in hostel and building an application for the first time there

RAZORPAY TURNED unicorn during the pandemic. Its CEO and co-founder Harshil Mathur is an alumnus of the 2017 batch of Forbes India 30 Under 30. The 29-year-old started the payments gateway in 2014 with college buddy Shashank Kumar. Today, the fintech startup processes over a third of all online payments in India.

In the latest episode of Forbes India Beyond the Boardroom, Mathur gives insights into the person that he is after the last email of the day is dealt with. He reveals some childhood secrets, the discipline that came with playing karate and his love for Bollywood movies. Edited excerpts:

KARATE KID

My dad was a karate coach. I grew up watching him play the sport and become a referee eventually. In the fourth standard or so, I started practising karate and it became a passion for me. It shaped a lot of my personality as well. In one of the finals, my opponent punched me aggressively and I got hit hard in the stomach too. I almost collapsed... I couldn't continue the fight and was



disqualified. I went back to training a couple of months after that, qualified for the nationals, and won a silver medal. So I think the only lesson (here) was that perseverance is important. You can't give up.

IIT HOSTEL AND INNOVATION

It was the first time I stepped out of my home state into a hostel. In the early days, I was scared of staying in a hostel. I remember watching so many movies with my friends during the first year. One person would have a laptop, 10-12 of us

would cram into a small dorm room and watch a movie. I met Shashank, my co-founder, in the second year. We got together to become a part of a group that he started, called the Software Development Section. That was the first time I started working with Shashank and building

"I AM AN INTROVERT WHEN I'M WITH NEW PEOPLE, BUT WHILE RUNNING A COMPANY, I HAVE TO CHANGE MY PERSONALITY."

projects. We bought one Tata Sky dish and used our laptop... I built an application to stream TV channels, especially

live cricket matches, to everyone's hostel. That was the first time I built something, deployed it and

started getting users.

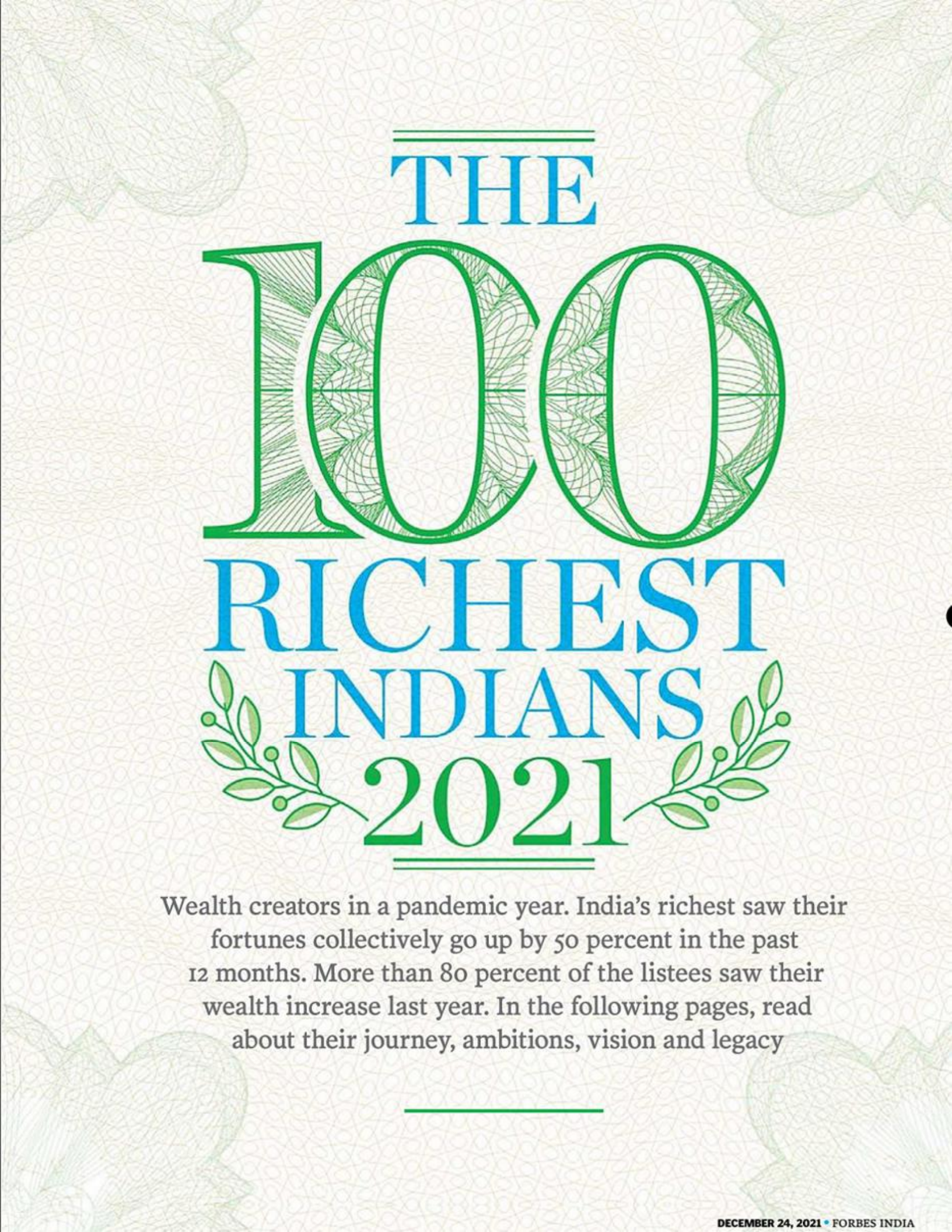
BEING AN AMBIVERT

There is a side to your personality that is natural and a new side that you have to build because it's part of the job. If I am in a room where I don't know anyone, I'll try to find somebody that I know and spend the entire evening with them. But once I am with a group of friends whom I know well, I am an extrovert. I will lead all conversations, decide where to go, what to do and things like that. By default, however, I'm an introvert when I'm with a new set of people. But as part of running a company, I have to change my personality somehow. In the early days (of Razorpay), I would go to startup events and would force myself to meet everyone and introduce myself. It was very uncomfortable because it didn't come naturally to me, and that's not possible either. But I had to do what I had to do for the company.

• USHNOTA PAUL



SCAN THE QR CODE TO WATCH THE VIDEO



THE 100 RICHEST INDIANS 2021

Wealth creators in a pandemic year. India's richest saw their fortunes collectively go up by 50 percent in the past 12 months. More than 80 percent of the listees saw their wealth increase last year. In the following pages, read about their journey, ambitions, vision and legacy

Peak Performance

A soaring stock market propelled wealth to record levels

By NAAZNEEN KARMALI

India's recovery from a deadly second wave of Covid-19 restored investor confidence in the world's sixth-largest economy. Scaling new peaks, the benchmark Sensex rose 52 percent from a year ago. As a result, the nation's 100 richest have never been richer; they are collectively worth a record \$775 billion after adding \$257 billion—a 50 percent gain—in the past 12 months.

Close to a fifth of that additional wealth came from infrastructure tycoon **Gautam Adani**, who nearly tripled his fortune to \$74.8 billion as shares of all his listed companies soared. At No 2 for the third year in a row, the politically well-connected billionaire is fast closing the gap with **Mukesh Ambani**, India's richest person since 2008. Ambani, who recently outlined plans to pivot into renewable energy with a \$10 billion investment by his Reliance Industries [owner of Network 18, the publisher of *Forbes India*], recorded a modest 4.5 percent rise in his wealth to \$92.7 billion.

In this bumper year, more than 80 percent of the listees

saw their fortunes rise, with 61 adding \$1 billion or more. The buoyant tech sector gave **Shiv Nadar**, founder of software giant HCL Technologies, a \$10.6 billion boost; he remains at No 3 with \$31 billion. Retailing magnate **Radhakishan Damani** retained the fourth spot with his net worth nearly doubling to \$29.4 billion as his supermarket chain Avenue Supermarts opened 22 new stores in the fiscal-ending March. India has administered over 100 crore Covid-19 vaccine shots to date, thanks in no small measure to Serum Institute

of India, founded by vaccine billionaire **Cyrus Poonawalla**, who moves into the top five with a net worth of \$19 billion. His privately held company makes Covishield under licence from AstraZeneca and has other Covid-19 vaccines under development.

There are six new faces this year, half of them from the booming chemicals sector: **Yogesh Kothari** of Alkyl Amines Chemicals; **Deepak Mehta** of Deepak Nitrite; and **Ashok Boob** of Clean Science and Technology, which listed in July. The pandemic-induced surge in testing caused shares of diagnostics chain Dr Lal PathLabs to double in the past year, earning its executive chairman **Arvind Lal** a debut spot on the 100 richest.

The country's IPO rush returned property magnate and politician **Mangal Prabhat Lodha** to the ranks, following the April listing of his Macrotech Developers. Among the four other returnees is **Prathap Reddy**, whose listed hospital chain Apollo Hospitals Enterprise has been testing and treating Covid-19 patients. With the cutoff for gaining entry to the list rising to \$1.94 billion, 11 from last year dropped off.

Additional reporting by Megha Bahree and Anuradha Raghunathan.



Cyrus Poonawalla

METHODOLOGY

This list was compiled using shareholding and financial information obtained from the families and individuals, stock exchanges, analysts and India's regulatory agencies. The ranking lists family fortunes, including those shared among extended families such as the Bajaj and Godrej families. Public fortunes were calculated based on stock prices and exchange rates as of September 17. Private companies were valued based on similar companies that are publicly traded. The list can also include foreign citizens with business, residential or other ties to the country, or citizens who don't reside in the country but have significant business or other ties to the country. The editors reserve the right to amend any information or remove any listees in light of new information.

MANISH MISHRA: TRANSFORMING THE HEALTHCARE INDUSTRY WITH HIS EXTENSIVE INTERNATIONAL EXPERIENCE



Mr. Manish Mishra

The pandemic has resulted in rapid growth in the healthcare industry. Today, the industry needs technology-driven and empathetic leaders to bring in transformation and provide better care to patients. They understand the requirement of the industry and help shape its future. One such leader is Manish Mishra, a visionary healthcare professional, who is aiming to build the future of the industry with his extensive experience of working in different geographies. His international exposure helped him to develop skill-sets in sales, marketing, and development. He has also managed teams across the globe.

Manish Mishra is known for developing business from scratch by analyzing market trends and competitors' moves to achieve the market-share metrics. He has immense expertise and exposure to working in the healthcare industry like Life Science, Medical Devices, Diagnostics, and Pharmacy Chain Business to lead strategic planning and operations, business restructuring, cost control, and effective management of cultural and organizational diversity. He has worked in different geographies like India, UAE, Qatar, Kenya, Indonesia, Thailand, Philippines, Vietnam, and more and has successfully delivered outstanding business growth globally by formulating high-quality business strategies and driving revenue growth. He has also implemented legal guidelines and in-house policies to maintain the company's legality and business ethics. "I worked at ERBA Mannheim,

one of the largest diagnostic companies in India, where I managed their export to 200 countries and a team in 33 different countries. I was in charge of three different regions; Asia, the Middle East, and Africa. In this capacity, I learned about international business as I was handling teams and businesses in different countries," he says.

He helps businesses explore potential business avenues and manage operations for achieving business goals while focusing on top-line and bottom-line profitability. His strategy is to partner with core business operations to expand the company's footprint and market share. He not only establishes processes and SOPs but also deploys different methodologies and modern practices to make the operations run smoothly and seamlessly. Under his able guidance, the team identifies improvement areas and implement adequate measures to maximize customer satisfaction.

Currently, Manish Mishra is working with Labaid Diagnostics, the biggest healthcare company in Dhaka, Bangladesh. The company has multiple hospitals in the country, he is managing Diagnostics business. He is managing more than 2000 resources in Bangladesh and planning to expand in the Middle East. He is involved in transforming business through technology and managing hospital labs. He says, "The pandemic has changed the scenario completely. We are bringing technological intervention from chatbots to new websites."

Turning Challenges into Opportunities

COVID-19 was one of the biggest challenges that the healthcare industry faced. "On the one hand, there was a challenge to manage COVID patients as RT-PCR labs were non-existent at that time. We started labs at multiple locations to collect samples from these patients. We also had to manage the logistics of these samples," he says.

The company used various technologies to provide online consultation to patients.

"Managing reagents and consumable stock was also a big challenge for us. We had to maintain the adequate inventory of stocks as most of the items were coming from abroad. We had to handle everything very diligently as any wrong step could have hampered our organization. But we managed to overcome these challenges by adopting technologies and continuous training to our staff," he says.

Speaking about motivating employees, he says, "I believe in empathy-based decision-making." He has worked hard to create managers for empathy by optimizing reporting lines. He believes that organizations that equip managers to be empathetic by holistically addressing the three common barriers- skill, mindset, and capacity, will achieve an outsized return on performance in the post-covid world.

With his unique method of working, Manish has been able to build a strong and reliable team. During the pandemic, he made sure that there were no layoffs and staff was given work flexibility. He understands the importance of mental health and hence has a team of experts for the same.

Manish aims to create a technology-driven organization. Under his able guidance, the company is heavily investing in technology, innovation, and expansion plans. He says, "If you have a lab at one place but do not have multiple collection facilities for the patients, then it will become very difficult for us to collect samples. So, geographical expansion became the key for us. Now, we are expanding our facilities to abroad."

1 **MUKESH AMBANI**
\$92.7 Billion ▲
RELIANCE INDUSTRIES
Age: 64

2 **GAUTAM ADANI**
\$74.8 Billion ▲
ADANI PORTS & SEZ
Age: 59

3 **SHIV NADAR**
\$31 Billion ▲
HCL TECHNOLOGIES
Age: 76

4 **RADHAKISHAN DAMANI**
\$29.4 Billion ▲
AVENUE SUPERMARTS
Age: 66

5 **CYRUS POONAWALLA**
\$19 Billion ▲
SERUM INSTITUTE OF INDIA
Age: 80

6 **LAKSHMI MITTAL**
\$18.8 Billion ▲
ARCELORMITTAL
Age: 71

7 **SAVITRI JINDAL**
\$18 Billion ▲
OP JINDAL GROUP
Age: 71

8 **UDAY KOTAK**
\$16.5 Billion ▲
KOTAK MAHINDRA BANK
Age: 62

9 **PALLONJI MISTRY**
\$16.4 Billion ▲
SHAPOORJI PALLONJI GROUP
Age: 92

10 **KUMAR BIRLA**
\$15.8 Billion ▲
ADITYA BIRLA GROUP
Age: 54

New Heights

GAUTAM ADANI

Gautam Adani, chairman of Adani Group, saw his net worth nearly triple to \$74.8 billion since last year's list. Shares of his six listed companies climbed between 73 percent and 630 percent over the past year—outperforming India's benchmark index's 52 percent gain—amid the group's ambitious moves. Already India's largest private port operator, the Ahmedabad-based group took control of Mumbai airport, the country's second-largest, after upping its ownership to 74 percent earlier this year. This acquisition followed Adani's winning bids in 2019 to develop and operate six airports across India for the next 50 years.

Adani is also seeking to list Adani Wilmar, a joint venture with Singaporean agri business billionaire Kuok Khoon

Hong's Wilmar International. But the IPO has yet to be approved by India's market regulator. Following Mukesh Ambani's \$10 billion bet on renewable energy projects, Adani recently disclosed plans to invest \$20 billion over the next decade in green energy.

A first-generation entrepreneur from the western state of Gujarat, Adani started a commodities trading business in the 1980s, expanding to energy, ports, airports, transportation, defence, property and finance over the next four decades. The Adani Group was not immune to the pandemic—consolidated revenue of the group's listed companies was \$13.5 billion in the fiscal year to March, down 3 percent from a year earlier.

—Ramakrishnan Narayanan



RAMESH DAVE / MINT VIA GETTY IMAGES

INDOSTAR: CONTRIBUTING TO NATION-BUILDING BY HELPING UNDER-SERVED ACHIEVE THEIR BUSINESS GOALS

IndoStar Capital Finance is one of India's leading NBFCs, catering to the financial requirements of entrepreneurs viz; commercial-vehicles operators and affordable homebuyers. IndoStar is a listed NBFC with Institutional ownership, transitioning from a wholesale to retail business, and is one of the strongest NBFCs in terms of liability management and liquidity. It is owned by marquee private equity investors like Brookfield and the Everstone group.

In the retail business, the company focuses on small truck owners, second-hand vehicles, and affordable home buyers. This is the underserved segment of the economy. They address the gaps in the economy that banks are unable to address and simultaneously help contribute \$1 Trillion to the economy from the sector.

They aim to help small entrepreneurs by providing them with the funds needed to fulfil their business aspirations.

About the CEO

R Sridhar, Executive Vice President, and CEO, IndoStar, has more than 4 decades of domain knowledge in the industry. With the luxury of experience, he has been able to pre-empt and build a moat against headwinds and identify futuristic opportunities for growth. At IndoStar, he is responsible for strategic endeavors and navigating the external requirements like business, economic and regulatory with a strong sense of purpose and conduct.

Overcoming Challenges

The NBFC sector has faced multiple challenges since the collapse of IL&FS in 2018. The pandemic just exacerbated those challenges. The sector not only faced a crisis on liquidity and solvency fronts but also a crisis of confidence in many ways. The government-induced loan moratorium added to financial pressures as well. People across the world faced tremendous challenges with unprecedented and sensitive situations.

During these difficult times, the company made sure that their employees were looked after well. They ensured their physical as well as mental well-being. They also created a transparent virtual space for team members to communicate easily. The team used this sluggish phase as an opportunity to prepare themselves, particularly in the digital capabilities, and be in a ready mode to take advantage of the unfolding huge post-pandemic potential demand. "While this strategy was put in motion before the pandemic, we really increased the speed post-pandemic. We have decided to transition our business from a corporate-led model to a retail-led one. We foresee better opportunities, lesser headwinds, and reduced peers in that aspect and have been pivoting our book and assets under management to reflect the same," R Sridhar says.

The company tackled a challenging external environment with a single-minded aim to build a resilient business. Their core values helped them navigate better through these business challenges and economic volatilities. Last year, even after a challenging liquidity scenario, they have achieved good growth in disbursement and AUM. With their portfolio quality continuing to be robust, they posted a net revenue from the operation of INR 738 crore. They also achieved 100% collection efficiency through all their businesses. They believe that a constant adherence to the same will continue to strengthen their foundation as they embark on the next phase of their journey.

"We follow the '3 Rs' namely; resilient, responsive, and responsible which



R Sridhar,
Executive Vice President, and CEO, IndoStar

essentially define IndoStar's way of doing business. We have opened many branches in the northern region of India at Guwahati, Patna, Bhopal. Currently, we have a total of 240 branches across India", Sridhar asserts.

The company has 5 new additions to CXO-level leadership that has helped in the expansion of the organization. This shows how bullish they are of the post-pandemic opportunity for NBFCs and how they are building capacities to chart a phenomenal growth trajectory.

Leading by Example

Technology will dominate the NBFC and lending industry and make it more democratized than ever before. With the efficiencies offered by technology, we will certainly be able to do more with less. Effectively leveraging technology and identifying new opportunities will be one of the most crucial themes of the NBFC industry.

IndoStar has prepared a five-year plan and is moving towards achieving its goal. Their main aim is to channelize the resources to the underserved segments of the economy. "We constantly work to bring down the cost to the borrowers. As this is a niche segment, interest rates are always higher, so we are trying to create an excellent Asset Quality, showcase that to institutions and bring down the cost. We want to deliver cheaper credit to the underserved segments of the economy," Sridhar explains.

11 **GODREJ FAMILY**
\$15.2 Billion ▲
GODREJ GROUP

12 **SUNIL MITTAL**
\$14.8 Billion ▲
BHARTI AIRTEL
AGE: 63

13 **BAJAJ FAMILY**
\$14.4 Billion ▲
BAJAJ AUTO

14 **DILIP SHANGHVI**
\$14.3 Billion ▲
SUN PHARMACEUTICAL
INDUSTRIES
AGE: 66

15 **HINDUJA BROTHERS**
\$14 Billion ▲
ASHOK LEYLAND
AGES: 85, 80, 75, 70

16 **BURMAN FAMILY**
\$11.8 Billion ▲
DABUR INDIA

17 **MADHUKAR PAREKH**
\$11.7 Billion ▲
PIDILITE INDUSTRIES
AGE: 75

18 **AZIM PREMJI**
\$11.2 Billion ▲
WIPRO
AGE: 76

19 **MURALI DIVI**
\$9.9 Billion ▲
DIVI'S LABORATORIES
AGE: 70

20 **BENU GOPAL BANGUR**
\$9.5 Billion ▲
SHREE CEMENT
AGE: 90

Big Shot

PANKAJ PATEL

Cadila Healthcare Chairman Pankaj Patel earned bragging rights as an industry pioneer after the company's world-first DNA vaccine for Covid-19 was approved for emergency use in India in August. The vaccine, called Zy-CoV-D, was also the first to get the nod to vaccinate India's teenagers, and the Ahmedabad-based company expects to supply 10 million doses by October. Skyrocketing demand for Cadila's drug portfolio has boosted the pharma magnate's fortune to \$6.2 billion.

Cadila's first-quarter net profit climbed 29 percent to ₹5.9 billion (\$80 million) from a year ago, on top of an 81 percent rise in 2020 full-year earnings to ₹21.3 billion. Shares of the company—

run by son Sharvil—have jumped 95 percent since the start of the pandemic. Following the devastating surge of Covid-19 infections earlier this year, Cadila doubled its production of Gilead Sciences' antiviral drug Remdesivir, and in June began clinical trials of a monoclonal antibodies cocktail to fight Covid-19. It also tied up with Taiwan Liposome to sell its treatment for mucormycosis following an outbreak of the life-threatening fungal infection in India.

Besides pharmaceuticals, Patel's Zydus Cadila group makes wellness products such as popular sugar substitute Sugar Free. It was co-founded by Patel's late father Ramanbhai Patel in 1952 to make vitamins.

—Ramakrishnan Narayanan



MAYUR D BHATT

OPULENCE GLOBAL: TRANSFORMING THE FUTURE OF FASHION INDUSTRY



Established in 2005, Opulence Global is one of Canada's largest designer fashion houses with over 300 celebrity clients. Its designer brands, FERI and POSH, are often seen in films, news, and on the red carpets. The company started its operations to give the average entrepreneur the ability to achieve an opulent lifestyle through optimum health, beauty, and fashion. They are dedicated to designing and manufacturing products that positively impact the lives of people. Opulence Global has started manufacturing a line-up of all-natural, cutting-edge health, personal care, dental care, home care, and beauty products that have revolutionized these industries. Their corporate structure is comprised of genius scientists and marketing experts who strive daily to meet the company's mission.

ABOUT THE FOUNDER

Ramin Mesgarlou is the Founder and CEO of Opulence Global. With over 27 years in direct sales, he has built five large multi-million-dollar businesses as a master distributor. His responsibility in the company includes the development of the compensation plan, basic to advance training & business expansion systems, building high-level strategic partnerships, and the overall marketing targets.

Ramin is best known for his book and advanced MLM university called The Forensic Networker, which has been rated as #1 in the direct sales industry over the past decade.

AN OUTLINE OF BUSINESS PORTFOLIO

Over the past 16 years, Opulence Global has perfected the art of becoming a home entrepreneur utilizing the power of e-commerce. One of the biggest impacts of the pandemic is that people now want to earn sitting at home rather than working in a traditional environment. This new phenomenon is now labelled as the "Stay At Home Economy." The company has been leading the "Stay at Home Economy" before the term even existed. "We have well-positioned ourselves to remain in the



Ramin Mesgarlou
Founder & CEO, Opulence Global

forefront of the "Stay At Home Economy." This vast e-commerce experience is providing us with an opportunity to capture our global market share now and places Opulence Global years ahead of our competition. Our home business and e-commerce platform provide a turnkey opportunity for our Brand Partners and VIP shoppers," says Ramin.

With 7 massive industries to choose from under one business platform, there's something for everyone.

In fashion, they have revolutionized the industry with new business paradigms. They have accessories starting from \$10 to red carpet world-class luxury leather goods, timepieces, jewellery, etc. They are preloaded in the state-of-art luxury online shop.

In beauty, their "professional grade" FERI Flawless anti-aging skincare lineup raises the bar in the spa-grade skincare market. It is designed to help people look and feel younger for all genders, ages, and skin types. They have a slogan "Give us 5 minutes, and we will turn back the clock 5 years!"

In health, Fountain of Life is a groundbreaking, patent-protected natural health product developed to protect and preserve

your well-being. It is the most powerful "high performance" antioxidant known to science, with life-changing results. The Fountain of Life has positively impacted lives in over 137 countries within the first three years alone. In Personal Care we introduced FERI Microsilver Protection Fluoride Free Toothpaste, FERI Microsilver Protection Natural Spray and our latest innovative product, FERI Sterling Hand & Body Moisturizer.

"We are a mission-oriented team that expands to 204 countries and territories. We have a long list of targets to achieve, starting with becoming a billion-dollar corporation and creating 1,000, million-dollar earner brand partners globally," he asserts.

TURNING CHALLENGES INTO OPPORTUNITIES

One of the biggest challenges that the company faced was international banking. Today the banking restrictions are hampering international trade for international companies. To overcome this challenge the company created its own internal currency called "Opulence Currency," which is 100% detached from the banking system and is now being used for all company transactions in 204 countries and territories.

"Over the past 16 years, our victories are always celebrated and our battle scars are displayed as our badges of honour. Our company has an A+ BBB rating today that stems from our illustrious history and heritage," he says.

The USP of the company is to keep their lines of communication open at all times with their global brand partners. "We are thirsty for new ideas and quick on our feet to implement great ideas. This is how we placed our company as a direct sale premium company for almost two decades. We mandate our department heads to constantly creating protocols for every task to improve consistency as we grow our company and staffing," he explains.

Ramin Mesgarlou wraps up by saying that "Seek new opportunities and keep evolving as an entrepreneur. Gain more skills in pursuit of becoming the best version of yourself."



21 **KULDIP SINGH & GURBACHAN SINGH DHINGRA**
\$9.4 Billion ▲
BERGER PAINTS INDIA
Ages: 74, 71

22 **ASHWIN DANI**
\$8.9 Billion ▲
ASIAN PAINTS
Age: 78

23 **KUSHAL PAL SINGH**
\$8.7 Billion ▲
DLF
Age: 90

24 **VINOD & ANIL RAI GUPTA**
\$7.6 Billion ▲
HAVELLS INDIA
Ages: 76, 52

25 **SUDHIR & SAMIR MEHTA**
\$7.1 Billion ▲
TORRENT GROUP
Ages: 67, 58

26 **MAHENDRA CHOKSI**
\$6.9 Billion ▲
ASIAN PAINTS
Age: 80

27 **HASMUKH CHUDGAR**
\$6.6 Billion ▲
INTAS PHARMACEUTICALS
Age: 88

28 **GIRDHARI LAL BAWRI, RAJENDRA AGARWAL & BANWARI LAL BAWRI**
\$6.5 Billion ▲
MACLEODS PHARMACEUTICALS
Ages: 74, 68, 62



Flying High

RAKESH JHUNJHUNWALA

The country's rising stock market appears to have stoked maverick investor Rakesh Jhunjhunwala's appetite for risk. His latest bet is on a sector ravaged by Covid-19: In July, Jhunjhunwala unveiled plans to invest \$35 million for a 40 percent stake in Akasa, a proposed ultra-low-cost airline. Known as India's Warren Buffett, Jhunjhunwala, 61, who began investing in 1985 with a mere \$100, saw his net worth more than double to \$5.5 billion.

Jhunjhunwala trades on his own account through his firm Rare Enterprises—a name coined from the first two letters of his name and that of his wife Rekha—and acquired his legendary Midas touch by picking winning stocks such as watch-and-

jewellery maker Titan Company. But he's recently begun reaping a windfall from his private equity investments.

For example, Jhunjhunwala's 11 percent stake in Nazara Technologies, a Mumbai-based mobile gaming company, which he acquired in December 2017 for ₹1.8 billion (\$25 million), is now worth close to \$100 million after its March IPO. Up next are popular footwear retailer Metro Brands and health insurer Star Health & Allied Insurance, which are both awaiting regulatory approvals for their respective IPOs. "Backing unlisted companies has helped me understand the processes and challenges of growing businesses," says Jhunjhunwala.

—Naazneen Karmali and Anuradha Raghunathan
READ "THE INCORRIGIBLE OPTIMIST" ON PAGE 62

Forbes^{INDIA}

PRESENTS

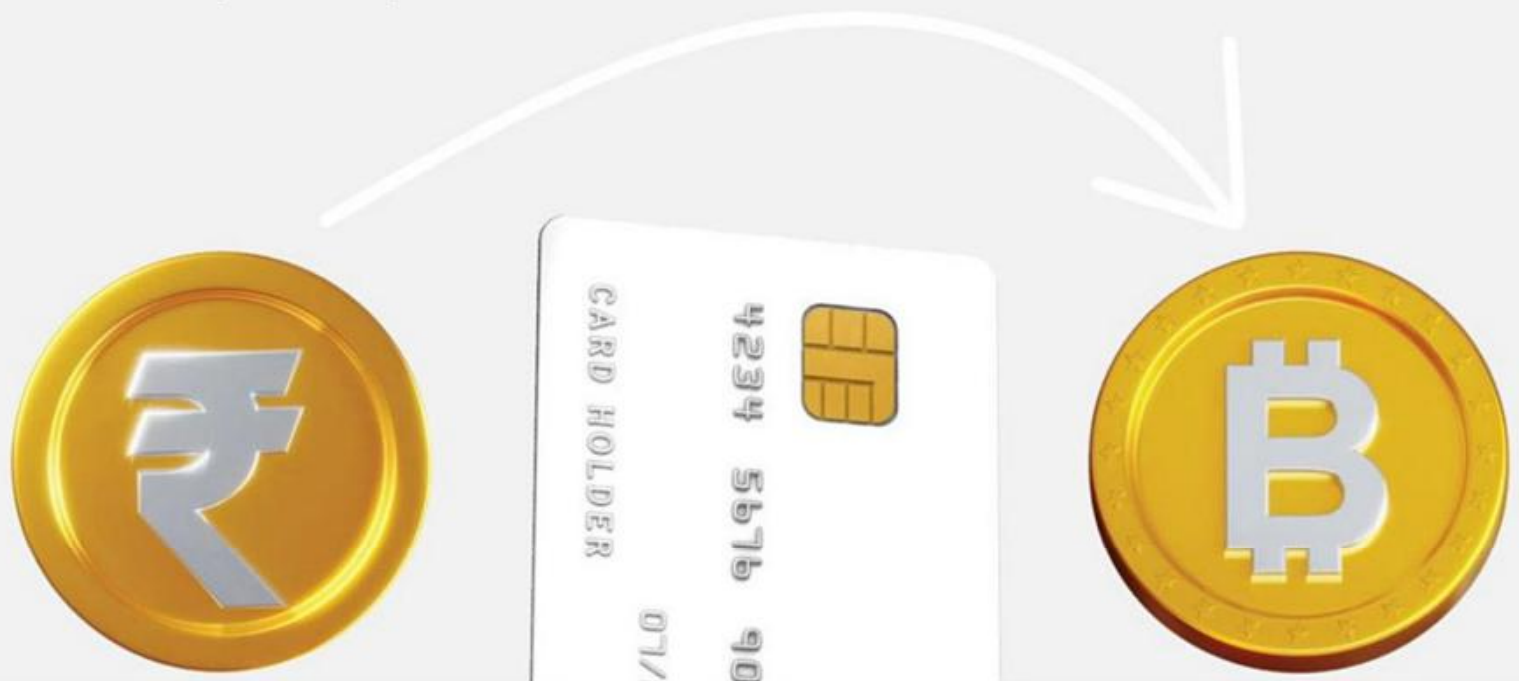


CRYPTO SIMPLIFIED

Spend & Earn;

A CRYPTO INVESTMENT SCHEME

Just like Paisa is to Rupee, Satoshis or sats are the smallest denomination of Bitcoin. New services are being initiated which replace card points, miles and other conventional loyalty programs, with bitcoin. Companies are working towards launching a new card program that rewards you with a bitcoin with every swipe. It's as simple as it can get. All one needs to do is top up INR Rupees in the card which then amasses sats with each swipe. GoSats is a Bitcoin Cashback Rewards application that enables stacking sats (fractional bitcoin) every time you shop. This way you aren't stuck with restrictive terms and conditions for redeeming your cashbacks, like expiry dates or minimum purchase requirements.



Download ZebPay to start your investments into cryptocurrencies

29 **MUTHOOT FAMILY**
\$6.4 Billion ▲
MUTHOOT FINANCE

30 **HARSH MARIWALA**
\$6.3 Billion ▲
MARICO
Age: 70

31 **ABHAY VAKIL**
\$6.25 Billion ▲
ASIAN PAINTS
Age: 70

32 **PANKAJ PATEL**
\$6.2 Billion ▲
CADILA HEALTHCARE
Age: 68

33 **KAPIL & RAHUL BHATIA**
\$5.8 Billion ▲
INTERGLOBE AVIATION
Ages: 89, 61

34 **SINGH FAMILY**
\$5.65 Billion ▲
ALKEM LABORATORIES

35 **VIKRAM LAL**
\$5.6 Billion ▲
EICHER MOTORS
Age: 79

36 **RAKESH JHUNJHUNWALA**
\$5.5 Billion ▲
RARE ENTERPRISES
Age: 61

37 **AJAY PIRAMAL**
\$5.1 Billion ▲
PIRAMAL ENTERPRISES
Age: 66

38 **MA YUSUFF ALI**
\$5 Billion ▲
LULU GROUP
INTERNATIONAL
Age: 65



Cementing Success

KARSANBHAI PATEL

Karsanbhai Patel, whose Nirma is a household name in the laundry detergent market, has placed big bets on yet another highly competitive sector: Cement. Nuvoco Vistas, Nirma group's cement arm, which is run by the patriarch's second son Hiren Patel, raised ₹50 billion (\$685 million) in an IPO in August. The proceeds will be deployed to expand Nuvoco's current annual capacity of 22 million tonnes by 2 million tonnes.

Nirma diversified into cement in 2014 and built Nuvoco into India's fifth-largest cement maker by capacity, partly through acquisitions. In 2016, the company acquired the Indian assets of French cement maker Lafarge for an enterprise value of \$1.4 billion and then bought Kolkata-based Emami Cement last year

for about \$780 million. Nuvoco faces heavyweight competitors, such as market leader Ultratech, which is four times its size and owned by billionaire Kumar Birla; as well as Shree Cement, controlled by Kolkata billionaire Benu Gopal Bangur.

But Patel is no stranger to marketplace battles. He started out in 1969 making detergents in his backyard, selling them door-to-door on his bicycle, and went on to snatch market share from giants Procter & Gamble and Unilever with his low-cost Nirma. Patel, who took Nirma private in 2012 and has handed the reins to the next generation, saw his net worth rise by 11 percent to \$4.2 billion.

—Ramakrishnan Narayanan

Best in Class

BYJU RAVEENDRAN

Edtech entrepreneur Byju Raveendran is on a buying spree. Since January, he's plunked down \$2.4 billion to expand Byju's, his Bengaluru edtech giant, including \$950 million for Indian test-prep provider Akash Educational Service in April and \$600 million for Singapore's Great Learning in July. In total, he's snapped up 15 companies across India, the rest of Asia and the US over the past six years. The net worth of the 41-year-old founder and CEO rose by a third to \$4.05 billion this year.

"We have multibillion dollar opportunities for growth in India and the US," says Raveendran, adding that he hopes to reach \$1 billion in US revenue over the next three years. Byju's parent Think & Learn saw consolidated revenue rise by 82 percent to ₹23.9 billion (\$325 million) in the year-ended March 2020 (the latest results

available) from the previous year as its net loss widened to ₹2.6 billion. The pandemic helped boost registered users to over 100 million and clock 6.5 million annual subscriptions.

"In an era where growth and scale are seen as more valuable than the path to profitability, the trajectory of Byju is a true case study," says Ganesh Natarajan, chairman of investment platform 5F World. "The challenge will be the ability to integrate their myriad acquisitions and present a cogent and credible palette of learning opportunities to their customers."

Raveendran offered test-prep services before launching Think & Learn with his wife Divya Gokulnath in 2011 and his eponymous tutoring app. It's since become the world's most valuable edtech company (\$16 billion), attracting marquee investors like Facebook founder Mark Zuckerberg, China's Tencent and US private equity firm General Atlantic.

—Anuradha Raghunathan



NISHANT RATNAKAR

CHANGE IN WEALTH KEY: ▲ UP ▼ DOWN ◀▶ UNCHANGED ★ NEW TO THE LIST ➡ RETURNEE

SHYAM & HARI BHARTIA
\$4.95 Billion ▲
JUBILANT BHARTIA GROUP
Ages: 68, 64

RAVI JAIPURIA
\$4.9 Billion ▲
RJ CORP
Age: 66

MURUGAPPA FAMILY
\$4.7 Billion ▲
MURUGAPPA GROUP

MANGAL PRABHAT LODHA
\$4.5 Billion ➡
MACROTECH DEVELOPERS
Age: 65

LEENA TEWARI
\$4.4 Billion ▲
USV
Age: 64

NR NARAYANA MURTHY
\$4.35 Billion ▲
INFOSYS
Age: 75

NUSLI WADIA
\$4.3 Billion ▲
BRITANNIA INDUSTRIES
Age: 77

KARSANBHAI PATEL
\$4.2 Billion ▲
NIRMA
Age: 77

BYJU RAVEENDRAN & DIVYA GOKULNATH
\$4.05 Billion ▲
BYJU'S
Ages: 41, 35

48 **SENAPATHY
GOPALAKRISHNAN**
\$4.03 Billion ▲
INFOSYS
Age: 66

49 **VIVEK CHAAND
SEHGAL**
\$4 Billion ▲
MOTHERSON SUMI SYSTEMS
Age: 65

50 **ARVIND PODDAR**
\$3.97 Billion ▲
BALKRISHNA INDUSTRIES
Age: 63

51 **YUSUF HAMIED**
\$3.95 Billion ▲
CIPLA
Age: 85

52 **SANJEEV
BIKHCHANDANI**
\$3.91 Billion ▲
INFO EDGE (INDIA)
Age: 58

53 **KIRAN
MAZUMDAR-SHAW**
\$3.9 Billion ▼
BIOCON
Age: 68

54 **PAWAN MUNJAL**
\$3.8 Billion ▼
HERO MOTOCORP
Age: 67

55 **SRIDHAR VEMBU &
SIBLINGS**
\$3.75 Billion ▲
ZOHU CORPORATION
Age: 53

56 **SALIL SINGHAL**
\$3.65 Billion ▲
PI INDUSTRIES
Age: 74

Wealth Creation

Rapid Recovery

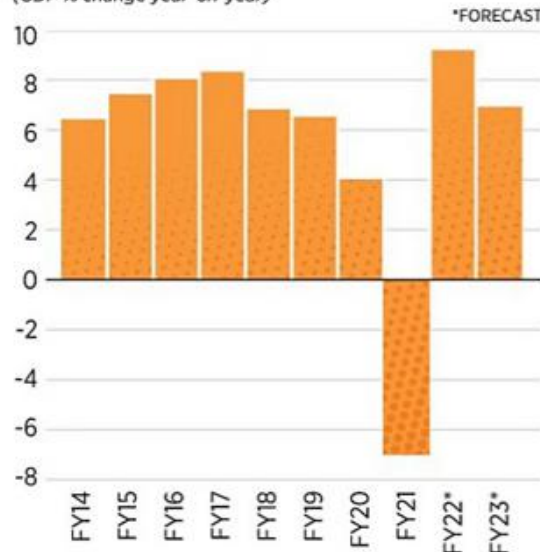
Despite a devastating surge of Covid-19 cases earlier this year, India grew at a record pace in its fiscal first quarter. Its GDP climbed 20 percent in the April to June period, recovering from a sharp contraction a year earlier. Growth is forecast to recover to 9 percent in the fiscal year to March 2022, compared to this fiscal year's 7 percent decline. Still the pandemic has left its mark. Both consumer demand and private investment are expected to remain subdued amid concerns of a potential third wave of infections. The central bank is focussed not only on returning the economy back to pre-pandemic levels but also putting the country on the path for sustained growth.

—Rainer Michael Preiss

Groundstroke

India saw an economic slowdown even before the onset of the pandemic, but growth is pegged to rise again

(GDP % change year-on-year)

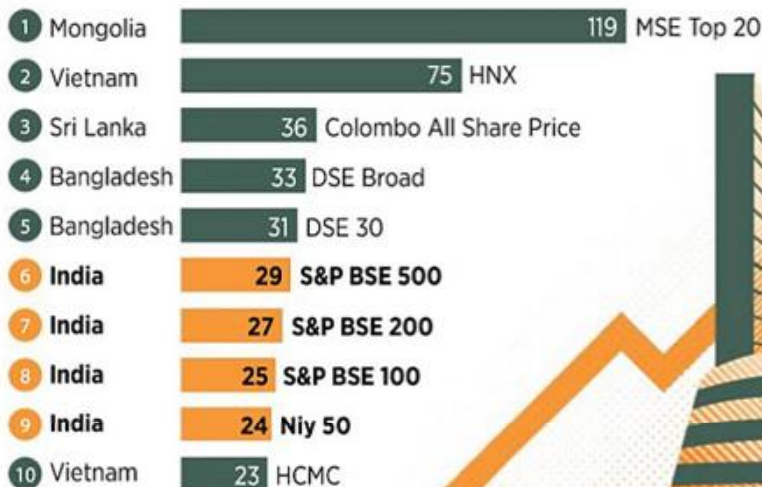


SOURCE Bloomberg and government reports. FY to March of indicated year.

Solid Footing

Four of India's stock indexes are among the top 10 best performing indexes in Asia in the year to date. The gains have helped drive up the country's market capitalisation-to-GDP ratio, which is expected to reach an all-time peak of 188 percent this year

(PERFORMANCE %; YTD 2021)



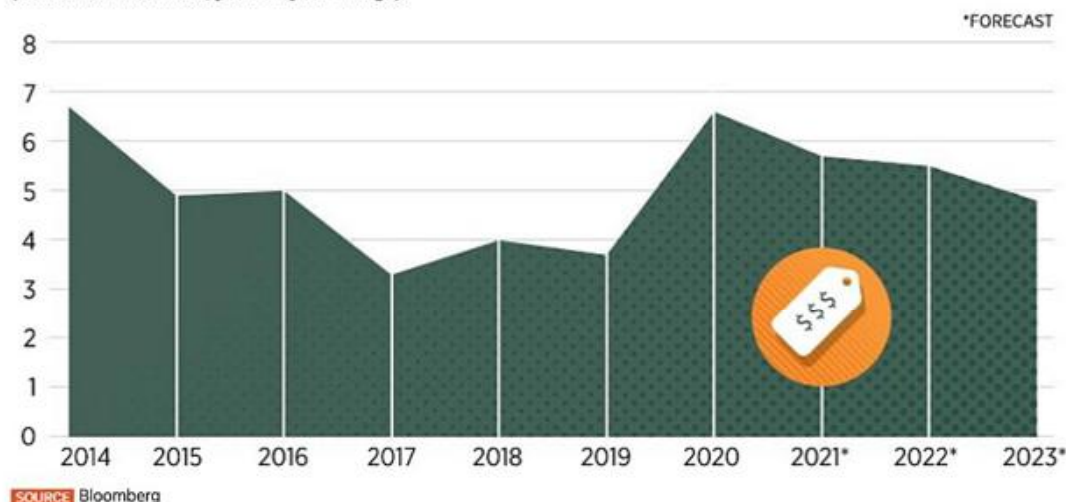
SOURCE Bloomberg, data as of September 16

CHANGE IN WEALTH KEY: ▲ UP ▼ DOWN ◀ UNCHANGED ★ NEW TO THE LIST ➡ RETURNEE

Bottom Line

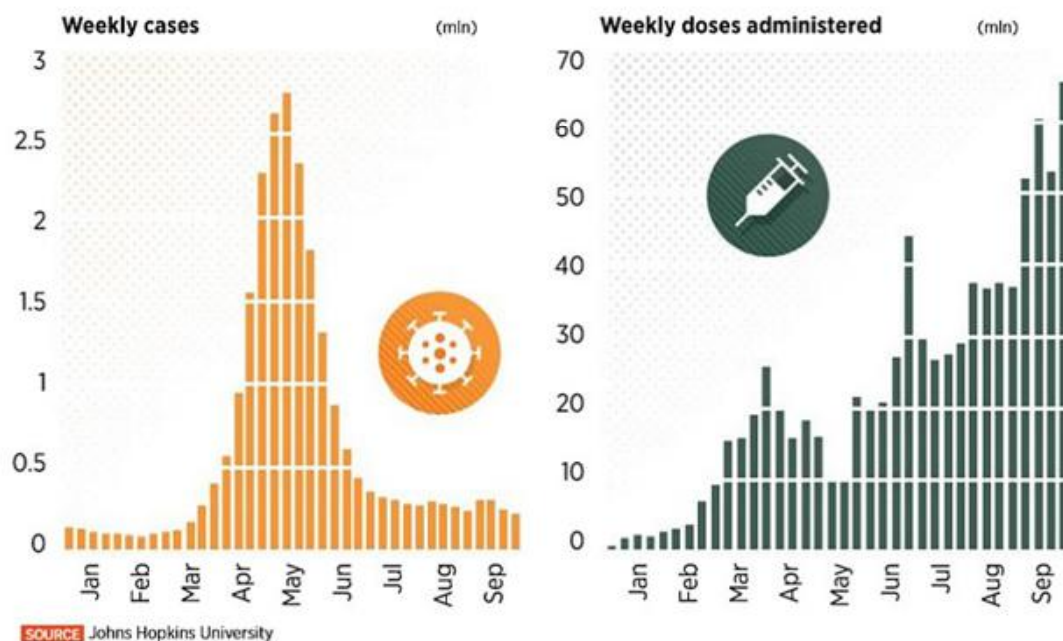
India's policymakers attribute the current inflation rate to supply-side constraints

(Consumer Price Index, year-on-year change)



Road Ahead

New Covid-19 cases have dropped since peaking in May, India had administered over 100 crore vaccine doses as of October 22



INDER JAISINGHANI

\$3.6 Billion ★

POLYCAB INDIA

Age: 68

RAMESH JUNEJA

\$3.5 Billion ▲

MANKIND PHARMA

Age: 66

ARUN BHARAT RAM

\$3.45 Billion ▲

SRF

Age: 80

YADU HARI DALMIA & FAMILY

\$3.4 Billion ➡

DALMIA BHARAT

Age: 74

NANDAN NILEKANI

\$3.35 Billion ▲

INFOSYS

Age: 66

MICKY JAGTIANI

\$3.3 Billion ▲

LANDMARK GROUP

Age: 70

ANIL AGARWAL

\$3.25 Billion ▼

VEDANTA RESOURCES

Age: 68

SANDEEP ENGINEER

\$3.22 Billion ➡

ASTRAL

Age: 60

CHANDRU RAHEJA

\$3.2 Billion ▲

MINDSPACE BUSINESS

PARKS REIT

Age: 81

ABHAY FIRODIA

\$3.15 Billion ▲

FORCE MOTORS

Age: 76

CHANGE IN WEALTH KEY: ▲ UP ▼ DOWN ➡ UNCHANGED ★ NEW TO THE LIST ➡ RETURNEE

- 67 **BABA KALYANI**
\$3.1 Billion ▲
BHARAT FORGE
Age: 72
- 68 **R.G. CHANDRAMOGAN**
\$3.05 Billion ▲
HATSUN AGRO PRODUCT
Age: 72
- 69 **REDDY FAMILY**
\$3.01 Billion ▼
DR. REDDY'S
LABORATORIES
- 70 **DEVENDRA JAIN**
\$3 Billion ▲
GUJARAT
FLUOROchemicals
Age: 92
- 42 71 **LACHHMAN DAS MITTAL**
\$2.92 Billion ▲
SONALIKA GROUP
Age: 90
- 72 **VIJAY CHAUHAN**
\$2.9 Billion ▲
PARLE PRODUCTS
Age: 85
- 73 **AMALGAMATIONS FAMILY**
\$2.89 Billion ▲
TRACTORS AND FARM
EQUIPMENT
- 74 **RAMESH KUMAR & MUKAND LAL DUA**
\$2.85 Billion ▲
RELAXO FOOTWEARS
Ages: 67, 72
- 75 **GUPTA FAMILY**
\$2.82 Billion ▼
LUPIN

Air Support

DEVENDRA JAIN

When the second wave of Covid-19 ravaged India, the government ordered the nation's suppliers of commercially used oxygen to shift production to medical oxygen to meet skyrocketing demand. Chemical and industrial gas tycoon Devendra Jain's privately held Inox Air Products, a joint venture with US-based Air Products & Chemicals, swung into action and ramped up its medical oxygen production by 520 percent to 2,800 tonnes a day. Since fortunes were last measured, the chairman of Inox Group has seen his net worth nearly double to \$3 billion.

Delivering pure oxygen to the far corners of the country was "supremely" hard, says Jain's grandson Siddharth, 43, Inox Air Products' executive director. His first hurdle: The specialised cryogenic tankers needed for its transport were in short supply. Inox Air Products worked quickly to modify tankers used for transporting gases, but it wasn't enough. With others in the industry, the company lobbied the government; soon it was transporting the cryogenic tankers by train, with the Indian Air Force flying back the empty tankers so they could be refilled for their next

destination. "It was really a war-like situation," says Siddharth. To make matters worse, several members of his family were battling Covid-19 at the time.

With Covid-19 infections down from their May peak, oxygen production has mostly returned to normal levels, he says. Inox Air Products' revenue for the fiscal-ended March climbed 10 percent to \$307 million from a year earlier, while net profit increased by 4 percent

to \$65 million. The family gets the bulk of its wealth from chemicals business Gujarat Fluorochemicals where the stock has more than tripled in the past 12 months. Inox's nationwide chain of 154

cinemas, shut since March 2020, has mostly reopened as states ease lockdown restrictions.

—Megha Bahree



Devendra Jain (seated) and grandson Siddharth

DEVENDRA JAIN: AVIT VERMA; SIDDHARTH JAIN: VIKAS KHOT

CHANGE IN WEALTH KEY: ▲ UP ▼ DOWN ◀ UNCHANGED ★ NEW TO THE LIST ➡ RETURNEE

AMIT VERMA



Upwardly Mobile

VIJAY SHEKHAR SHARMA

Paytm founder Vijay Shekhar Sharma is gearing up for his next major challenge: The company's much-anticipated IPO, which is awaiting regulatory approval after filing a red herring prospectus in July. The digital payments pioneer, backed by Alibaba and SoftBank, hopes to raise as much as \$2.2 billion in what could be one of the country's largest listings.

With India's competitive mobile payments market expected to be worth \$1 trillion by 2023, Paytm plans to use part of the IPO proceeds to expand its base of 114 million active users and its network of 21 million merchants. Sharma, who became a billionaire in 2017 at 38, will likely see his \$2.35 billion fortune get a boost after the IPO. Paytm is forecast to

have a market cap north of \$20 billion.

Despite handling over \$54 billion in online transactions in the year to March, Paytm continues to remain unprofitable. The company narrowed its net loss by 42 percent to \$232 million in fiscal 2021 from a year earlier and expects the red ink to persist in the "foreseeable future", according to its prospectus. The pandemic also dealt a blow: Revenue dipped 10 percent to \$434 million.

Founded by Sharma in 2009 as a mobile phone recharge service, Paytm saw its e-wallet business explode after November 2016 when India scrapped 86 percent of its currency. Since then Paytm has expanded to insurance, gold-backed loans, gaming and banking.

—Megha Bahree

VIKAS OBEROI

\$2.8 Billion ▲

OBEROI REALTY

Age: 51

76

K. DINESH

\$2.76 Billion ▲

INFOSYS

Age: 67

77

KALANITHI MARAN

\$2.75 Billion ▲

SUN TV NETWORK

Age: 56

77

PP REDDY

\$2.73 Billion ▼

MEGHA ENGINEERING &

Infrastructures

Age: 64

79

SANJIV GOENKA

\$2.71 Billion ▲

RP-SANJIV GOENKA

GROUP

Age: 60

80

ANURANG JAIN

\$2.7 Billion ▲

ENDURANCE

TECHNOLOGIES

Age: 59

81

RAJAN RAHEJA

\$2.65 Billion ▲

EXIDE INDUSTRIES

Age: 67

82

ACHARYA

BALKRISHNA

\$2.64 Billion ▲

PATANJALI AYURVED

Age: 49

83

SUNDER GENOMAL

\$2.63 Billion ▲

PAGE INDUSTRIES

Age: 67

84

HARSH GOENKA

\$2.6 Billion ▲

RPG ENTERPRISES

Age: 63

**NITHIN & NIKHIL
KAMATH**

\$2.59 Billion ▲

ZERODHA BROKING

Ages: 42, 35

ARVIND LAL

\$2.55 Billion ★

DR LAL PATHLABS

Age: 72

PRATHAP REDDY

\$2.53 Billion ➡

APOLLO HOSPITALS
ENTERPRISE

Age: 89

RAVI PILLAI

\$2.5 Billion ➡

RP GROUP

Age: 68

**PV RAMPRASAD
REDDY**

\$2.45 Billion ▼

AUROBINDO PHARMA

Age: 63

JITENDRA VIRWANI

\$2.4 Billion ▲

EMBASSY GROUP

Age: 55

**VIJAY SHEKHAR
SHARMA**

\$2.35 Billion ◀

PAYTM

Age: 43

ASHOK BOOB

\$2.3 Billion ★

CLEAN SCIENCE &
TECHNOLOGY

Age: 69

Specialty Chemicals

Chain Reaction

India's makers of specialty chemicals have benefited from a spurt in both domestic and global demand as customers sought to reduce their dependence on China. The sector has grown 12 percent on a compounded basis over the past five years to \$32 billion in 2020. Specialty chemicals are used in everything from medicines to foods to mining. "The chemical industry is the mother of all industries," says Ravi Goenka, president of the Indian Chemical Council.

The boom has produced three new members of India's 100 Richest and boosted the fortunes of five others. Ashok Boob, managing director of Pune-based Clean Science and Technology, debuts on the list with a fortune of \$2.3 billion. Shares of this producer of chemicals used in sunscreens and diapers have surged 80 percent since its IPO in July when the company listed at a 98 percent premium to its issue price. Clean Science's profit margin of 39 percent is one of the highest in the industry. "We work on innovative catalytic processes

that are cleaner and are hence cost competitive," says Boob, who co-founded the company with brother Krishnakumar and nephew Siddharth Sikchi in 2006. Revenue rose by 22 percent to ₹5.1 billion (\$69 million) in the year ended in March from a year earlier.

Deepak Mehta, chairman of Deepak Nitrite, makes his debut with a net worth of \$2.05 billion thanks to a threefold rise in the company's stock price amid rising demand for phenol, used in laminates, plywoods and paints. The company, founded by his father in 1970, is investing ₹11 billion to expand capacity in its home state of Gujarat.

Huge demand for amines used in pharma and agrochemicals boosted



Deepak Mehta

Ashok Boob

MEHTA: COURTESY; DEEPAK NITRITE; BOOB: ANIRUDHA KARMAKAR FOR FORBES INDIA

CHANGE IN WEALTH KEY: ▲ UP ▼ DOWN ◀ UNCHANGED ★ NEW TO THE LIST ➡ RETURNEE

GOGRI: COURTESY: AARTI INDUSTRIES; SARAF: COURTESY: VINATI ORGANICS



Vinod Saraf

Yogesh Kothari's wealth. The managing director of Alkyl Amines Chemicals joins the list with a net worth of \$1.94 billion. Shares of his Mumbai-based company, which posted a 25 percent rise in revenue to ₹12.5 billion in fiscal 2021, skyrocketed 200 percent over the past 12 months.

Brothers Chandrakant and Rajendra Gogri of Aarti Industries saw their fortune rise by 51 percent this year to \$2.1 billion. The Mumbai maker of benzene-based derivatives used in agrochemicals, pharma and fuel additives, reported a 9 percent increase in revenue to \$687 million in fiscal 2021. The brothers plan to spend ₹50 billion to build as many as 20 new factories over the next three years and launch 90 new products. "We are a fully backward-integrated company and we are not dependent on China for raw materials," says Rajendra, chairman of Aarti.

Vinati Organics, the world's largest producer of a key ingredient for painkillers, saw its share price nearly double to push up the fortune of founder Vinod Saraf by 43 percent to \$2 billion. "The biggest constraint now is logistics and getting container

space for exports," says his daughter Vinati Saraf Mutreja, CEO. "Also, import consignments get held up, but this should be temporary."

India's share of the global specialty chemicals market is expected to double to \$64 billion by 2025, according to a June report from Mumbai financial services firm Motilal Oswal. Says Indian Chemical Council's Goenka: "India is at an inflection point now." But analysts caution that weak infrastructure as well as difficulty in acquiring land for new factories could hamper growth.

—Megha Bahree

READ 'CLEANER CHEMISTRY' ON PAGE 58



Chandrakant Gogri

Rajendra Gogri

DILIP & ANAND SURANA
\$2.25 Billion ▲
MICRO LABS
Ages: 55, 50

94

SD SHIBULAL
\$2.15 Billion ▲
INFOSYS
Age: 66

95

CHANDRAKANT & RAJENDRA GOGRI
\$2.1 Billion ▲
AARTI INDUSTRIES
Age: 75, 61

96

DEEPAK MEHTA
\$2.05 Billion ★
DEEPAK NITRITE
Age: 64

97

VINOD SARAF
\$2 Billion ▲
VINATI ORGANICS
Age: 69

98

BAJIRANGLAL TAPARIA
\$1.95 Billion ★
SUPREME INDUSTRIES
Age: 87

99

YOGESH KOTHARI
\$1.94 Billion ★
ALKYL AMINES CHEMICALS
Age: 72

100



Wired To The Future

How Inder Jaisinghani, of cables and wires manufacturer Polycab India, battled the headwinds of Covid-19 and made his debut on the Rich List

By NAANDIKA TRIPATHI

In 1968, Inder Jaisinghani, then 15, had to drop out of school to join his elder brother Girdhari in taking over the family business after the demise of their father Thakurdas Jaisinghani. The late Thakurdas, who had moved to Mumbai from Pakistan after Partition, had founded Sind Electric Stores in Lohar Chawl, the city's epicentre for electrical goods.

Starting from a cubbyhole decades ago, Inder has now made his debut on the Forbes India Rich List 2021, ranking No. 57 with a net worth of \$3.6 billion (approx. ₹27,000 crore). And Polycab India, the company that Sind Electric Stores blossomed into under his aegis, now has over 4,100 dealers and distributors, 1.6 lakh retailers and 30 warehouses in India. It also has 25 manufacturing facilities, including two joint ventures with Techno and Trafigura, located across Gujarat, Maharashtra, Uttarakhand and the union territory of Daman and Diu.

As a child, Inder would accompany his father to the shop and

always had a keen interest in starting his own business. After joining his father's shop as a teen, he realised he wanted to take the business deep, rather than wide—if there were too many products (the shop sold a variety of lights, switches, fans and other electrical goods) the venture would be limited to one shop.

"We decided we will only sell wires and cables. This was the time BEST (Brihanmumbai Electricity Supply and Transport, the city's civic transport and electricity provider), had made cables compulsory for buildings. I noticed an increase in demand for cables. However, on many occasions, we were at the mercy of manufacturers to ensure we had the right and required inventory. It was then that we decided to pursue forward integration and rather set up a factory of our own," says Inder, the chairman and managing director of Polycab India. "We started off modestly from a garage-type arrangement in Sewri measuring about 1,000 sq. ft. This is when my younger brothers Ramesh and Ajay joined us. Since

Inder Jaisinghani

Chairman and managing director, Polycab India

Age: 68

Rank in the Rich List **57**

Net Worth: \$3.6 billion

The Big Challenges Faced in the Last Year:

The volatility in the supply of raw material during the pandemic

The Way Forward:

Embarked on a multi-year transformation journey with an aim to cross ₹20,000 crore in sales by FY26 which will be driven by customer-centricity, future-ready organisation structure, digital transformation, and a sharp focus on environment, sustainability and governance

we were a small team, we would have to wear multiple hats."

The Jaisinghanis worked relentlessly for hours—while Inder would manage sales and marketing, his brothers would handle production, and they worked round the clock to meet deadlines. "We set up a factory at Daman, and it was here that I encountered a man at a petrol pump with a Polyfab branding on his scooter. On asking him the meaning he said, 'poly' stands for 'many' and 'fab' means fabric. I decided to derive a similar brand analogy for our business and thus came into being the brand we know as Polycab. Our tagline of 'Connection Zindagi Ka', isn't just a mere marketing slogan. We have practised it in true spirit. Even now, the 15-20 people who were part of our first factory set-up in Sewri continue to be with us. Similarly, our relationships

"Your company can grow in the long run only if you ensure that all your stakeholders, including the suppliers, channel partners and employees, grow along with you."

Inder Jaisinghani, chairman and managing director, Polycab India

with our dealers and distributors span over three generations,” Inder tells *Forbes India*.

“When I joined Polycab in 1996, I was the first employee of the company and we used to operate from the garage in our promoter’s old home in Wadala,” recalls Shashi Amin, who joined as a general manager heading sales for cables and has now become the executive president and chief business officer (cables).

In those days, he adds, he used to travel with the CMD to Vadodara and Daman in second class local and passenger trains. “Together, we have spent many sleepless nights seeking approvals and fulfilling orders. This is how I started and grew together with the company expanding aggressively post-2000.”

Amin recalls another instance from 2008 when the world was going through an economic crisis following the collapse of Wall Street investment firm Lehman Brothers. Copper prices tanked nearly 65 percent, leaving contractual agreements with suppliers in jeopardy.

“Despite the sharp decrease in metal prices, Polycab took delivery at higher metal prices, which shows the commitment Inder *bhai* has towards our suppliers/vendors. Our channel partners also incurred heavy losses as the value of inventory lying with them dropped. In such difficult times, he went out of his way to extend monetary benefits and additional credit facility to the trade fraternity which helped them navigate the crisis successfully. The kind of respect and trust he commands among our channel partners has been instrumental in developing our distribution network as our key competitive advantage.”

BATTLING COVID-19

Just like every other business, Polycab, too, encountered

Polycab India Limited: Steady Growth

(All figures in ₹ Cr)

	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Total Revenue	9054.74	8922.75	8049.33	6834.74	5575.65
Profit after Tax (PAT)	882.09	759.06	499.7	358.01	232.7
Net Profit Margin (%)	9.88	8.59	6.28	5.28	4.23

Market Cap (as of October 23, 2021): ₹ 33,716.23 crore

difficulties last year due to the Covid-19 pandemic. The nationwide lockdown took a toll on the wires and cables vertical, which saw near-zero business in the first 45 days of the June quarter of FY21. The consumer durables business, which contributes nearly 10 percent to the revenue, saw some activity, but was down by 20-30 percent in the South and the East and by 50-60 percent in the North and the West compared to the previous year. Overall sales in the quarter declined 50 percent year on year.

“For manufacturers, it was a significant impact since this period is generally a prime sales period, particularly for the wires and cables segments. As soon as the pandemic hit, we activated a business continuity plan that placed employee safety and well-being as our prime consideration. The situation did not deter us from lending a helping hand to our dealers, distributors, and retail partners and gradually things started gaining traction. The dealers in metros faced greater challenges due to continued restriction in physical movement,” says Inder.

Fifty-nine-year-old Kantilal Jain from Chennai, a retailer with Polycab for 11 years, says, “The company has always stood by its distributors and clients during tough times. Even during the pandemic, Inderji extended full support. With their excellent supply chain and material availability we could easily resume work post the lockdown.”

While Polycab’s revenue halved during the first quarter due to falling demand and delay in shipments, says Ashish Poddar, senior vice

president of the Systematix Group, a diversified financial services company, “however, swifter than anticipated recovery was witnessed in subsequent quarters and Polycab managed to report 1 percent YoY growth in FY21. It further strengthened its leadership position in the cable and wire industry and gained 1-2 percent market share. While the volume for cable and wire is reaching near-normal levels, better realisation due to rise in copper prices will help healthy value growth in FY22. The FMEG segment continued to report strong growth (FY21: 24 percent) aided by market share gains and will continue.”

Work has now resumed after the second wave, but certain aspects in factories have been impacted by issues like limited manpower as well as underutilisation of capacity. “We monitored the situation and ramped up the production depending on the ground environment, demand, and liquidation of inventory. Our supply chain framework is now back in totality and supplies from national as well as international vendors continue unabated,” Inder adds.

It’s evident from the doubling of the wires and cables business—from ₹793.50 crore in the first quarter of FY21 to ₹1,586.20 crore in the June-ended quarter this fiscal—as well as well the distribution and B2C verticals. In the second quarter too, the wires and cables business grew by 46 percent on a YoY basis to ₹2,548 crore from ₹1,740.8 crore in Q2FY21.

The consumer durables business, too, is coming back to normal despite the closure of retail shops across



The Jaisinghanis of Polycab India: (From left) Ramesh, Ajay, Girdhari, Inder, Nikhil, Bharat, Anil and Kunal have been nimble post the Covid-19 upheaval, continuing with branding initiatives during the year to improve popular connect

many states during the second lockdown. It grew 41 percent, from ₹244 crore in the Q1 quarter of the current fiscal to ₹342.9 crore in the second quarter of the current fiscal.

"We had a healthy Q2. Robust sales growth was underpinned by market share gains across categories. Given the strengthening macroeconomic fundamentals, we see a massive opportunity to spread our wings across B2B as well as B2C categories by leveraging on our strong brand equity and increased consumers' affinity for our products," says Inder.

To ramp up the demand post the lockdown, Polycab grew their market reach in Tier-II and Tier-III cities and continued with branding initiatives during the year to improve popular connect. Their experience centres were redesigned as Polycab Galleria Knowledge Centre to engage customers and influencers

and strengthen their presence in the consumer electricals segment.

"Amidst the upheaval, we continued to remain nimble with unwavering focus on business execution and excellence. As a result, our revenue increased from ₹8,830 crore in FY20 to ₹8,930 crore in FY21, despite pandemic-induced disruptions. Economic contractions witnessed in the first half of the year put us to test. It was not until the latter half that India began its upward trajectory. Consumer and market sentiment improved as crucial indicators, such as infra investments, GST revenues, IIP, PMI, building materials consumption, among others began to indicate an economic rebound," says Inder.

NEXT-GEN STEPS IN

Nikhil and Bharat, sons of Inder's younger siblings Ramesh and Ajay,

respectively, joined the business in 2006 when both were in their early 20s. They started off by shadowing Inder, undergoing training and working in various departments, from operations and purchase to finance.

"When I became part of the team, Polycab had firmly established itself as a formidable player in the wires and cables business. As a fresh lens of the team, I identified that there was immense scope to further enhance the high benchmarks we set for ourselves, by embracing the best of new-age digital technologies. The collective focus of our team was to enable Polycab to attain an identity as a sustainable long-term growth bet," says Bharat, 36.

He took up activities around the transformation that involved inculcating a higher sense of professional mindset, creating new organisation structures,



Polycab has 25 manufacturing facilities located across Gujarat, Maharashtra, Uttarakhand and the union territory of Daman and Diu

50

implementing a new ERP (Enterprise Resource Planning) system, expanding the sales and distribution network across India, foraying into newer businesses like the FMEG sector and introducing practices that are in tune with modern times.

According to Inder, their next generation of leaders have picked the right pace and direction in taking Polycab to newer heights. "They are focussed and well-versed with the expectations of the current world. One aspect where I believe they can consider gaining exposure is to work at the ground level to understand the business holistically. My experience says that working at the grassroots also helps one establish the strongest of relations with people. Overall, the passing of the baton is being undertaken in the ideal way and the future looks bright and vibrant for Polycab under the younger generation," he says.

WAY FORWARD

Going ahead, Polycab wants to expand its presence in international

markets riding on the anti-China wave. The company has identified markets where imports from China have been high—it has already established subsidiaries in the US and Australia for trading wires and cables.

In 2008, the International Finance Corporation, the private equity arm of the World Bank, invested ₹401.75 crore in Polycab and picked up a minority stake in the company. Later, in 2019, the company made its market debut and raised ₹1,346 crore through an initial public offering (IPO) that was subscribed more than 52 times.

"Polycab's stock price has become 4x in less than three years since its IPO in April 2019. With earnings growth, market share gains and strong FCF-generation (free cash flow-generation) have supported a good re-rating in its valuation multiple and will continue," says Poddar.

After falling approximately 45 percent over February-May 2020 due to Covid-19, Polycab's stock price rebounded strongly and has

given around 300 percent returns since then. This was supported by a swifter than expected revival in its business performance after a weak Q1FY21, he adds.

The company recently also acquired 100 percent stake in Bengaluru-based automation company, Silvan Innovation Labs, for ₹18.2 crore.

"With technology increasingly influencing our lifestyles, a natural extension to this phenomenon is the emergence of the smart home automation concept that promises to enhance our lifestyles. Polycab already serves this space with a bouquet of offerings such as smart fans, smart lighting, IR blaster, smart plugs, and smart heaters, to name a few. We are working to up our game in this space and, to this end, shortlisted Silvan, since the company, too, has quickly made its mark as a formidable startup in the space," says Inder.

This year, Polycab completes 25 years as a structured entity—since 1998, they have recorded a robust 43 percent compounded annual growth rate. Even in the last five years, the growth has been relatively healthy, at 11 percent CAGR, while maintaining market leadership in the wires and cables business.

"We have embarked on a multi-year transformational journey with an aim to cross ₹20,000 crore in sales by FY26, which will be driven by customer-centricity, future-ready organisation structure, digital transformation, and a sharp focus on environment, sustainability and governance. We are dedicated to using our resources in a responsible manner. Our endeavour to serve the communities, have a positive impact on the environment and ensure corporate governance form an integral part of our business. We aim to significantly step on the pedal on our sustainability agenda," says Inder. 

CELEBRATING INDIA'S **IMPACT CREATORS** ON **Forbes**^{INDIA}



**BYJU
RAVEENDRAN**

Byju's

**NITIN
KAMATH**

Zerodha

**NIKHIL
KAMATH**

Zerodha

**AMIT
CHANDRA**

Bain Capital

**GIRISH
MATHRUBOOTHAM**

Freshworks

THE **TRAILBLAZERS** WHO ARE
PIONEERING NEW SUCCESS PATHS

The Billionaire Yogi

Military man Arvind Lal wanted to be a fighter pilot in the navy. But destiny had other plans. He is at the forefront of a health tech revolution with Dr Lal PathLabs that began as a single laboratory testing business and is now India's most valuable player in the diagnostic services industry

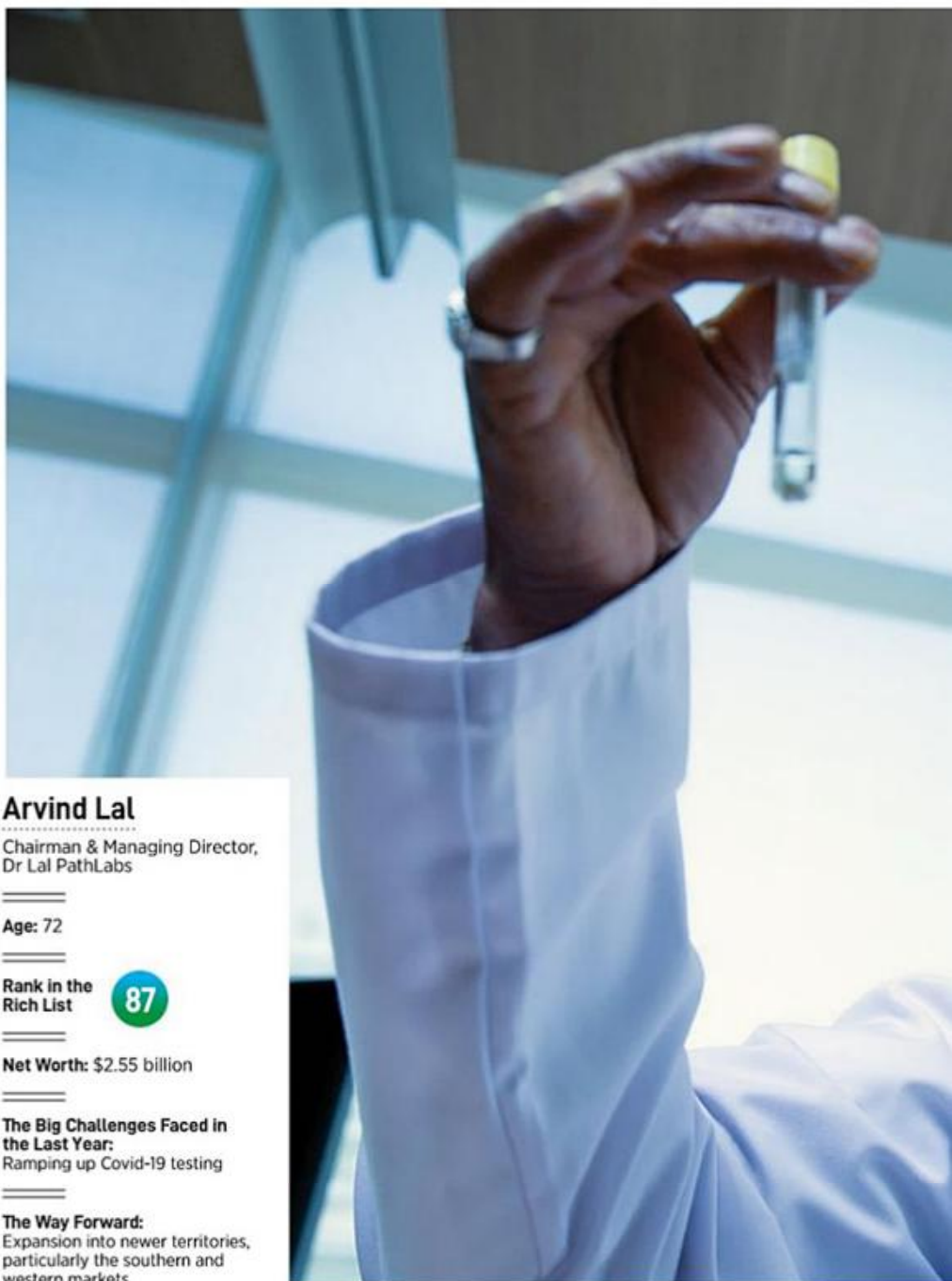
By MANU BALACHANDRAN

Arvind Lal believes in divine interventions. Maybe because he is spiritual. Or maybe because strange coincides have led him to believe in them. Either way, in mid-October, after spending over 11 days in the hills of Uttarakhand—where he had gone to celebrate Navaratri at an ashram—Lal returned to his hometown of New Delhi, refreshed, rejuvenated and feeling divine.

The next day, Uttarakhand was hit by heavy rainfall, leading to floods and landslides, and a death toll of nearly 60. Ranikhet, where Lal was stationed, is still cut off from the rest of the state. "It's a close call, a divine intervention," Lal tells *Forbes India*. "I mean, everybody is seeing what has happened. For somebody who got out of there just 24 hours earlier, after spending 11 days, you can call it a coincidence. But you know."

Perhaps it is that divine intervention that also brought him into the 2021 Forbes India Rich List, seven decades after his father started a single laboratory testing business in New Delhi. Lal is a newcomer on the list, ranked 87, with an estimated wealth of \$2.55 billion.

Much of his wealth comes from his nearly 56 percent holding in the company, Dr Lal PathLabs, which has been at the forefront of pathological testing in India, particularly in a year ravaged by a pandemic. The company has a



Arvind Lal

Chairman & Managing Director,
Dr Lal PathLabs

Age: 72

Rank in the
Rich List

87

Net Worth: \$2.55 billion

**The Big Challenges Faced in
the Last Year:**
Ramping up Covid-19 testing

The Way Forward:
Expansion into newer territories,
particularly the southern and
western markets

market capitalisation in excess of ₹29,000 crore, making it India's most valuable player in the diagnostic services industry. It has over 200 clinical labs and more than 4,000 collection centres, offering some 5,000 pathology and radiology tests, including Covid-19 tests.

"Next year, take me off the list," Lal says jokingly about the Forbes India Rich List. "It's not in my nature to flaunt or talk about my wealth.

What I am trying to do now is focus on primary health care and do more towards society." Over the past few years, his business has played a pivotal role in the fight against Covid-19, with large-scale testing for the virus across the country. Dr Lal PathLabs processes some 2 crore samples annually and during the past few years, has tested over 3 million samples of Covid-19 in the country.

That is probably why, over the

past year, the company has seen its market capitalisation surge by over ₹10,000 crore. It has also taken serious strides to foray into the southern markets, after becoming a dominant player in the northern and eastern parts of the country.

SHATTERED DREAMS

Much of Arvind Lal's tryst with the pathology business was not entirely his own liking.

As a two-and-a-half-year-old, Lal was admitted to the prestigious Modern School on Barakhamba Road in New Delhi. "I was a premature baby, and was packed off to school at such a young age," Lal says. By the time he was in his fourth grade, he was clear that he wanted to become a fighter pilot in the Indian Navy.

"People join the navy to roam around the seas, but I wanted to fly and be in the seas too," Lal says. He was awarded the best cadet in the National Cadet Corps in the Navy division and the path was clear to join the National Defence Academy in Khadakwasla in Pune. Back then, admissions into the defence programme began after class 10. "I had cleared the exam and was called in for my medicals when they found that I was mildly myopic," Lal says.

That meant, his ambitions to join the fighter pilot stream were shattered. While there were other options such as the supply corps and engineering division, Lal wanted to do nothing but fly. "A guy who wanted to join the navy since forever retired from the defence services at the age of 15," he says.

Eventually, upon his brother-in-law's suggestion, Lal decided to give medicine a try. "I used to think that boys who study biology were not men... you know how crazy guys are at 13 or 15." Being rejected for NDA meant that Lal had to study biology, a subject he had not chosen for class 10. He had to study three years' worth of material in eight months.



Lal cracked the exams and passed a pre-medical course at Dyal Singh College in Delhi before securing admission for MBBS at the illustrious Armed Forces Medical College (AFMC) in Pune.

By then, his father, Dr SK Lal, had set up Central Clinical Laboratory, known as Dr Lal's Laboratory, in Delhi, after flocking to India ahead of the Partition from Rawalpindi in Pakistan.

SK Lal was a Major in the Indian Army and had retired from the service before independence. Soon after, he joined the government-run Provincial Health Laboratory in Delhi for nearly two years before setting up his own pathology laboratory.

"Nobody had set up a private lab, and there were pathologists in government labs," Lal says. "The lab was set up in April 1949 and I was born in August 1949. So, the lab and I are almost like twins and that is how we get along with each other so well."

Even then, it was not his plan to join the family business until a family tragedy turned around their fortunes. SK Lal was allegedly killed by his brother, Anil, forcing Arvind Lal to take over his father's business. "There were no witnesses to my father's death," Lal wrote in his book, *Corporate Yogi*. "I have pieced the event together in my head, over and over again, like a slideshow. In the first panel, my parents are in their sitting room, having dinner while watching TV. Click. My mother gets up and walks towards the bathroom. Click. My father sits alone in the room, in his customary chair, with his back to the door.



Lal being conferred the Padma Shri by Pratibha Patil, President of India, in 2009

Click. The assassin looms up behind my father, the weapon belching fire. Click. My mother emerges from the bathroom to see my father slouched over and Anil standing there, with the smoking gun in his hand."

THE GIANT LEAP

Lal joined his family business in 1977. "When I joined the lab, there were 25 or 30 patients coming there to get their blood tested," Lal says. Soon word-of-mouth helped in more clients, especially since Lal was equipped with a degree from AFMC, where he was teaching undergraduate medical students, pursuing a post-graduate in pathology, and serving as warden of the hostel. "Before I joined, thyroid tests were not available in private labs in India. I'm a pioneer of thyroid testing in private labs in India," he claims.

Because thyroid testing was categorised as nuclear medicine and the Bhabha Atomic Research

Centre (BARC) in Mumbai was the nodal agency to help with the procedure and the kits, Lal and his wife met with scientists there and spent over three months learning the tricks before deciding to launch thyroid testing services from their labs in Delhi in 1982. The same year, the company's lab was a standby laboratory for drug abuse testing for athletes in the ninth Asian Games.

That was followed by building a reputation for offering lipid profile tests, and liver function tests, among others. It also helped that the business was quick in adopting technology, including an auto-analyser that helped streamline and fasten processes, hormone-testing equipment and even computerising the labs.

Soon, Lal discovered the world of franchising. "One of my regular patients, a resident of Model Town, North Delhi, used to come to my lab at least twice a day," Lal recalls. "He said 'You are such a bright young

"Dr Lal PathLabs has the early mover advantage in the organised market. Their return on equity has been phenomenal. Every fund is invested in the stock, and those who are not have regretted not being there."

Vishal Manchanda, pharma research analyst, Nirmal Bang Institutional Equities Research



(From left) Lal, an honorary Brigadier in the Indian Army, was inducted in the Hall of Fame by the Armed Forces Medical College, Pune, in 1919; Arvind Lal (seated, right) in the early 1950s, with his younger brother Anil, and parents Dr SK Lal and Vimla Lal

man. Why can't you set up a lab at Model town?" With that, Lal set up what he calls the first franchise model in the health care business in India. The franchises were then tasked with collecting the samples which would then be sent to the company's central labs for testing.

By 1995, the company renamed itself to Dr Lal PathLabs from Central Clinical Laboratory, and became a private limited company, with Lal, his wife and mother as directors. "When the operator used to pick up the phone, he used to say, Dr Lal's Laboratory," Lal says. "So, I thought it's better to change the name."

In 2001, the company opened its first lab outside Delhi in Gurugram; the number has since grown to 234. In 2004, US-headquartered Quest Diagnostics, a spin-off of Corning Inc, decided to set up business in India, and Lal considered the prospect of partnering with their business as an equal partner with a plan to dilute his stake by 10 percent annually.

That deal did not go through, and in 2005, Dr Lal PathLabs brought in its first round of private equity investments when WestBridge Capital bought a 26 percent stake in the company, valuing the business

at \$24 million (₹106 crore). The deal was one of the first in diagnostic chains in the country, with a follow-on investment again in 2007. By 2010, private equity firm TA Associates bought a nearly 16 percent stake for \$35 million (₹221 crore) from Sequoia Capital India, which had acquired WestBridge Capital in 2006.

That was soon followed by an investment of \$44 million by WestBridge Crossover Fund in

2013, valuing the company at around ₹1,750 crore. In 2005, the company also brought in Om Manchanda, a veterinary doctor-turned-management executive as full-time CEO.

THE BULL RUN

In 2015, Dr Lal PathLabs went public. It raised ₹638 crore and since then, the company has seen its revenue grow by over 70 percent while profits have doubled. The company currently focuses on two areas: A diagnostic chain for walk-in patients and a business-to-business model that caters to hospitals. "Today, we are doing between 70,000 and 80,000 tests a week," says Lal.

The company now has plans to expand into the southern and western markets. "We are strong in the North, Central and East India," Lal says. "We are now introducing newer tests and are the largest in histopathology biopsy, and also have the second-largest kidney biopsy testing lab."

India's domestic diagnostic industry is estimated at \$9 billion (around ₹67,500 crore) and is expected to have a compound

Going from Strength To Strength



annual growth rate (CAGR) of 10 percent over the next five years, according to Edelweiss, a research firm. "Growth will be primarily driven by a change in demographics, increase in lifestyle diseases, and higher income levels across all strata of society, rise in preventive testing, deeper penetration with asset-light expansion, and spread of health care services and insurance," says a 2020 report from Edelweiss.

Of this, diagnostic chains command some 16 percent market share. "The four major players—Dr Lal PathLabs, Metropolis Healthcare, SRL Diagnostics and Thyrocare Technologies—have a share of 6 percent," Edelweiss says in the report. "So, there is a huge opportunity for national players to consolidate and for organic expansion."

"They have very good margins and their return on equity has been phenomenal," says Vishal Manchanda, research analyst for pharma at Nirmal Bang Institutional Equities Research. "Every fund is invested in the stock, and those who aren't have regretted not being there. Dr Lal PathLabs has the early mover advantage in the organised market, which is poised for large growth as testing become crucial, whether voluntarily or otherwise."

"Over the years, they have built up a reliable diagnostic and high-value brand," says Surajit Pal, AVP and pharma analyst at Prabhudas Lilladher. "But the industry is now slowly and gradually emerging and there will not be brick-and-mortar facilities alone. Over the next five years, health care will emerge as a one-stop solution and that's where the company will need to reinvent itself. They have a 70-year-old legacy to leverage on, and perhaps do something similar to what Thyrocare has done."

In June, A Velumani, founder of Thyrocare, surprised everyone when



(From top) A view of Lal's flagship lab in Rohini, Delhi, which is Asia's biggest and is spread across an area of 85,000 sq ft; Dr Lal PathLabs has over 200 clinical labs and 4,000 collection centres, offering some 5,000 pathology and radiology tests, including Covid-19 tests

he sold his company to PharmEasy, a relative newcomer in the health industry and a unicorn. It was one of the first instances of a startup buying a listed company. Velumani sold his 66 percent stake for ₹4,546 crore to PharmEasy's parent company, API Holdings. He will use ₹1,500 crore of those proceeds to buy 4.9 percent in API, which will propel PharmEasy's valuation from ₹13,390 crore (\$1.8 billion) to over ₹29,700 crore (roughly \$4 billion).

India currently has more than 5,000 health tech startups and the health tech market, according to IAMAI-Praxis Global Alliance, is expected to reach \$5 billion by 2023 at a CAGR of 39 percent.

"Due to physical restrictions and safety concerns due to the pandemic, there has been an increased adoption towards tele-consultation, homecare services, e-pharmacy, online fitness and digital personal health management which has catapulted

the Indian health tech sector on a high growth path," consultancy firm RBSA Advisors said in a recent report. "The consumer adoption that health tech has been able to achieve in 2020 would have taken at least 4-5 years in a non-Covid-19 scenario."

For now, Lal and his business are not likely to face any bumps. Personally, he is spending much time focusing on his philanthropy foundation that is helping set up primary health care facilities, and setting up Hyperbaric oxygen therapy facilities, a type of treatment used to speed up healing of carbon monoxide poisoning, gangrene, stubborn wounds and infections in which tissues are starved for oxygen in high-altitude warfronts such as Siachen.

"I have been a military man all my life," says Lal, who was made an honorary Brigadier in the Indian Army. "It is now time to give back to the society." **F**

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Cleaner Chemistry

By focusing on a differentiated manufacturing process Ashok Boob's Clean Science has grown rapidly and has a long runway ahead

By SAMAR SRIVASTAVA

At 54, one thinks more about retirement than the next big thing. Not Ashok Boob.

In 2006, soon after he turned 54, he turned entrepreneur.

He'd spent his entire career at Mangalam Drugs and Organics as a promoter director but after working there for three decades he decided to move on account of differences with the owners. Still, Boob, who describes himself as someone steeped in the industry, knew he wanted to continue in the industry. A second act was worth a shot.

Around the same time, in May 2006, nephew Siddharth Sikchi had just returned from Canada with a masters in organic chemistry. Both Boob and Sikchi had the same alma mater for their bachelor's degree—the Institute of Chemical Technology, Mumbai. Both the families had a chemical background. So they decided to do something together. The contours of the new business were still to be sketched out and capital was limited but in a small 300 sq ft lab in Vapi, Gujarat, the two decided to work on different chemistries.

Boob, with three decades of experience in the industry, was clear that the next stage of the business had to be much cleaner. "During those days, the units

were getting closed in Vapi due to stricter environmental norms in India. On the other hand, I had heard stories of rivers in China being polluted on account of the effluent discharge and the resultant acid rain. Being conscious of this background, we decided to work only on sustainable technologies," says Boob. He was also clear that he didn't want to get into the same products as his erstwhile employer or poach people from there.

He and Sikchi decided they would work on interesting catalytic and cleaner technologies that can be used to manufacture specialty chemicals. This takes time and research to master and there are still only a handful of companies attempting this but once got right it has the potential to reduce costs of the finished products. They initially worked on hydroxylation technology. By 2009-10 they were doing business worth ₹10 crore.

Both Boob and Sikchi embody a new breed of entrepreneurs who have put India on the world map of specialty chemical companies. These businesses have grown rapidly in the last five years and boast good financial ratios. With China vacating space in the industry, investors believe they have a long runway ahead of them. Their peers SRF, Atul and Vinati Organics, to name a few, have built formidable reputations

with the products they manufacture and are counted as manufacturers of global repute. They all have market caps in the billions of dollars and over the next decade could emerge as large exporting industries rivalling IT and pharma. Ashok Boob (along with Sikchi, brother Krishnakumar and son Parth Maheshwari) is a new entrant on the Rich List ranked at 93 with a net wealth of \$2.3 billion.

SETTING UP

After working in their small laboratory in Vapi for a year, the duo began to search for land to set up a plant. At that time, prices in Vapi were prohibitively expensive at ₹1 crore per acre, so they went to Kurkumbh, an industrial cluster on the outskirts of Pune with some chemical companies. Clean Science and Technology was offered the last 7.5 acre plot that was on an incline and had been rejected by other companies. "We thought how bad could it be? After all it was available for ₹5 lakh per acre. We bought it and got to work levelling the land," says Sikchi.

The first products Clean Science commercialised were monomethyl ether of hydroquinone (MEHQ) and Guaiacol. MEHQ is used in diapers and sanitary pads while Guaiacol finds application as a pharma intermediate in cough syrup. In 2008-09, the company

Boob and Sikchi embody a new breed of entrepreneurs who have put India on the world map of specialty chemical companies that have grown rapidly



Ashok Boob

Managing Director, Clean
Science and Technology

Age: 69

Rank in the
Rich List

93

Net Worth: \$2.3 billion

The Big Challenges Faced in the Last Year:

Selling the business model to
investors and listing it in the
public market

The Way Forward:

Maintaining the stellar
valuation the market has
given the company through
new and innovative products

Ashok Boob (seated) with brother Krishnakumar Boob (standing, centre), son Parth Maheshwari (standing, left) and nephew Siddharth Sikchi

faced problems in manufacturing the product to scale and with the correct specifications but by the next year they had got the chemistry right and with the right catalyst the product technology was in place.

The use of a catalyst is important, as it is very specific to the reaction desired to produce a product. If got right, it can reduce the cost and improve the quality of the product, and reduce the effluents discharged, explains Sikchi. As a result, due to the catalyst the raw material for MEHQ is \$2 versus \$5 for other companies. This helps in realising better margins and profitability. The cost of treating effluents is another differentiator, according to the company, with 0.5 percent of topline being spent on it.

While competitors typically focus on end-user industries, Clean Science is focussed on building molecules, says Koushik Bhattacharya, executive director at Avendus Capital. So while a competitor may say I want to build a product for the fragrance industry and then go about it, Clean Science would want to build a molecule, get the technology right and then find customers. "Because they chase niche and technologically complex molecules, that gets reflected in their margins," he says.

Clean Science now has seven products that are used in a wide variety of formulations, from an anti-oxidant in the food and animal feed industry to infant food formulations and breakfast cereals, and as a reagent in anti-retrovirals to UV blockers in sunscreens.



A view of the Clean Science and Technology factory

GROWTH PROSPECTS

For now, the business has grown rapidly. In the three years ended FY21, the topline rose 28 percent a year, from ₹242.7 crore to ₹512.4 crore. In the same period, Ebitda margins rose from 30 percent to 51 percent while profit after tax rose 59 percent a year from ₹48.9 crore to ₹198.4 crore. The business boasts a return on equity of 36 percent and has no debt.

The market is valuing the business at ₹22,000 crore or at about 110 times FY21 profits. The stellar valuation is part a reflection of rapid growth, part high valuations for the industry and part the high margin profile of the company. While the IPO offer price in June 2021 was ₹900 a share, the public markets have since bid it up to upwards of ₹2,000 a share. The promoters hold 78.5 percent and will have to bring it down to 75 percent within three years in line with SEBI norms.

Where could the business be in three years? According to Sikchi, the aim is to double the topline, with half of the growth coming from existing products and the other

half coming from new products.

The market has probably priced the company to perfection and any miss on the topline or margins could result in a valuation dust-up. "Doubling the topline while maintaining the same profitability looks ambitious," says Deepak Palekar, a former regional business director for Asia Pacific and Middle East for Rodhia and now a consultant in the specialty chemical space. He attributes this to the high market shares the company already has and gaining incremental market share usually comes at the cost of margins.

Boob confesses the valuation has come as a surprise. "We didn't expect this kind of reaction," he says while pointing out that day to day nothing has changed. All four promoters continue to be involved in the business. Boob looks after operations and is happiest when at their plant while Sikchi looks after research and development. Brother Krishnakumar deals with public relations while son Parth looks after business operations.

Could Clean Science's moat be breached if competitors manage similar manufacturing processes? "I am not saying it is impossible," says Boob but points out that they make their own catalysts, they've designed their own plants and for anyone to enter a business where their competitor has a 50 percent market share is difficult. "It is difficult but not impossible," he says. **F**

Strong Growth With Rising Margins

	Revenue (₹cr)	Ebitda (₹cr)	Ebitda Margin (%)	PAT	ROE (%)
FY18	242.7	73.4	30	48.9	26
FY19	393.3	136.3	35	97.7	35.9
FY20	419.3	185.3	44	139.6	40.8
FY21	512.4	259	51	198.4	36.8

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The Incurrigible Optimist

Billionaire investor Rakesh Jhunjhunwala on markets, his best trading year and why India's best is yet to come

By SAMAR SRIVASTAVA

By now, large parts of Rakesh Jhunjhunwala's story are well known. How the son of a civil servant came to the market in 1985 with almost nothing and turned it into a fortune. How he made a killing by investing in Titan. And how 2025 onwards, he plans to give away a large portion of his wealth to charity.

It is the authenticity of this story that makes it so powerful. Investors hang on to every word he says on markets and the economy. Company managements regularly pitch to him in the hope that he invests with them. They know only too well the value of having him as an investor. As a market watcher once told this reporter: "One listens to him and comes away thinking, 'If he can do it why can't we?'"

But Jhunjhunwala, who is in an expansive mood on a sultry October evening, confesses he's not as infallible as people think he is. His mistakes are less well-known than his successes. "I am not afraid of taking a loss. I only learn from mistakes," he says in an interview at his sea-facing 15th floor office at Nariman Point (once Mumbai's

premier business district).

It's a simple office where the walls are peppered with investing aphorisms. "The market can remain irrational longer than you can remain solvent," says one by economist John Maynard Keynes. The coasters have imprinted on them sayings from the likes of value investing legend Benjamin Graham.

Inside people pour over trading charts, spreadsheets and incoming result announcements. To a casual observer, there's a sense of camaraderie that fosters collaboration. Occasionally someone enters to show Jhunjhunwala something or to take his approval.

The past year—with its one-way bull run—has been great for Jhunjhunwala who in earlier interviews has described himself as a middle-class billionaire. His wealth has more than doubled to \$5.5 billion, moving him 18 spots on the 2021 Forbes India Rich List to rank 36. His large holdings, Titan and Tata Motors, have done well. But even these moves have been eclipsed by his trading gains. "I've had the best trading months of my life in the last 18 months. I hope it continues," he says. What he leaves

unsaid is that given the India story, 'his best is probably yet to come'.

BULLISH ON INDIA

While investor appetite has waxed and waned over the years, the Big Bull has always been an incurrigible India optimist. Over the years, he's been out there talking about what makes him so bullish—the skillset of its population and its favourable demographics being the two main reasons. Now, more than any time in the past, he believes India's time has come. "India's economic story could go into a burst," he says. "We have \$1 trillion in savings and only 8 crore demat accounts. Where will money from the remaining 90 crore go?" he asks, pointing to why stocks could do well for many years to come.

The reasons are plain to see. The reforms of the last few years—RERA, GST and the Insolvency & Bankruptcy Code—have given us a solid base to take off from. One result of these reforms is the clean-up of the business environment and the premium placed on business done without cutting corners. Promoters have seen first-hand the premium placed on good business in the form of increased valuations.

"India's economic story could go into a burst. We have \$1 trillion in savings and only 8 crore demat accounts. Where will money from the remaining 90 crore go?"

■ Why Rakesh Jhunjhunwala believes stocks could do well for many years to come



Rakesh Jhunjhunwala

Investor

Age: 61

Rank in the
Rich List

36

Net Worth: \$5.5 billion

The Way Forward:

Plans to give away ₹5,000 crore in 2025 and thereafter 2% of his portfolio every year till he reaches ₹25,000 crore; focus on nutrition, surgeries for children with heart problems and a sports academy

Large public market holdings:
Titan, Tata Motors, Crisil, Fortis

Unlisted holdings:
Star Health Insurance, Akasa, Concorde Biotech, Metro Shoes

In addition, corporate India balance sheets have deleveraged considerably and now have the ability to spend. "We have a credit cycle behind us and a capex cycle ahead of us. Tax collections will go through the roof," he says. Add to that a reformed public sector and a privatisation push and the India story remains strong.

As a result, Jhunjhunwala believes that a double-digit growth performance this fiscal could be followed with 7-9 percent next year, 8-9 percent in FY24 and 10 percent thereafter for the rest of the decade. The story could come unstuck, he says, if there is a geopolitical event, like an attack by China on Taiwan or a confrontation with our neighbours.

A Narendra Modi supporter, Jhunjhunwala recently made a presentation to the prime minister where he outlined a few suggestions for reforms. "He [Modi] understands business and I believe he is determined to do reforms," he says, adding that his continuation is key to India achieving high rates of growth. When reminded that the last decade has seen disappointing growth, he dismisses it: "The

past is not an indication of the future." Like a true investor, he is looking to discount the future.

Indian markets seem to be doing much the same and pencilling in the next few years of growth. Corporate profits to GDP have been at decadal lows and have only recently started recovering. Still, sceptics wonder if they have discounted too much. Not Jhunjhunwala. "We have gone from 7,500 to 18,500 in one stretch, so we can always have a correction, but I don't think we will have a reversal," he says. "Remember the Dow never had a more-than-10 percent correction in the 1990s. It is possible we could be in the same situation." He does concede there may be a few, very few, pockets of the market that may have discounted too much. But then again he asks, "Who are we to judge overvaluation? It is an intangible."

While there are always risks in markets, Jhunjhunwala believes central banks will raise rates very slowly. It may affect some investors like pension funds, but overall he doesn't see too many dark clouds.

And to dispel any notion that he's becoming cautious, he says with his trademark bullishness, "I am still investing. If you give me ₹500 crore today, I will invest it in a day."

One such trade happened a little over a month ago when on the morning of Invesco asking for an extraordinary general meeting at Zee Entertainment, Jhunjhunwala scooped up a large stake in excess of ₹200 crore, according to a filing on the National Stock Exchange. "A merger at a good valuation results in consolidation and that is always good," he says.

Then there's his investment in Akasa, an airline founded by former Jet Airways CEO Vinay Dube. Jhunjhunwala declined to answer any questions on the airline or on the aviation business in general as well as private

Reasons for Optimism

Reforms of the last few years:

RERA, GST, Insolvency & Bankruptcy Code

Credit cycle behind us, capex cycle ahead of us

Favourable demographics and skillset of the population

Savings of **\$1 trillion**

Belief that India could hit **10% growth 2025 onwards**

investments in Metro Shoes and Star Health Insurance, which are on their way to being listed.

GIVING IT AWAY

As he enters his seventh decade, Jhunjhunwala has started thinking about what to do with his vast fortune. He's postponed his plans of giving it away to 2025, but says, "The intention to give it away has now expanded."

He's willing to put down specifics. Between April and December 2025, he will donate ₹5,000 crore to his foundation, RARE Family Foundation. Thereafter, he will value his portfolio on March 1 every year and give away 2 percent till he gets to ₹25,000 crore. He wants his foundation to work in various areas—nutrition, surgeries for children with heart problems and to set up a sports academy.

The foundation will have a team with a chairman and the Jhunjhunwala family as the principal donor. "Ten percent [of donations] will be spent as per the discretion of the Jhunjhunwala family, while 90 percent will have to be passed by the advisory board and then spent," he says. He doesn't plan to get into the nitty-gritty of the day-to-day running of the foundation.

For now, Jhunjhunwala says he is, "philosophical about life and his role in the world". He is

more conscious that success is transient and temporary, and that he has to make an attempt to lead a healthier life. At 61, he is keenly aware of his own mortality. "The average life expectancy in this country is about 70 years," he says.

Lately, he's been spending more time with his family and children, with recent holidays to Goa, Delhi and Dubai. At home, he spends his time reading and watching movies. While his workday begins when the markets open, he now makes it to office around mid-day. In the past, Jhunjhunwala has said he plans to wind down his trading activities. He now believes he is closer than ever to doing it. "I am always thinking about it, but haven't done it. I think it should happen in a year or two," he says.

Still, one gets the sense that as a smart and alert investor, he is always on the lookout for his next doubler and is in no mood to slow down. If Jhunjhunwala continues to compound his wealth at a modest 15 percent, he could enter the Top 10 on the Forbes India Rich List in the next decade. And that's a fantastic result for someone who came to the market in 1985 with no family wealth to invest. Over the years, he's made sensible use of leverage, he says.

Unlike other billionaires, he doesn't have a retinue of staff, remains accessible, is unfailingly polite (though he can have a short fuse at times), answers his own phone and almost always returns calls. And that's the authenticity that common people love.

As we wind down the interview, I ask him about the biggest influences in his life. He cites two—his father and Radhakishan Damani. And his most important learning from the founder of the DMart chain of stores is something all investors would do well to imbibe, 'Be a tortoise, not a hare'. **E**

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THE 100 RICHEST INDIANS 2021

#1

Mukesh Ambani
Reliance Industries

WEALTH IN 2021
\$92.7 bln

WEALTH GAIN
\$4 bln



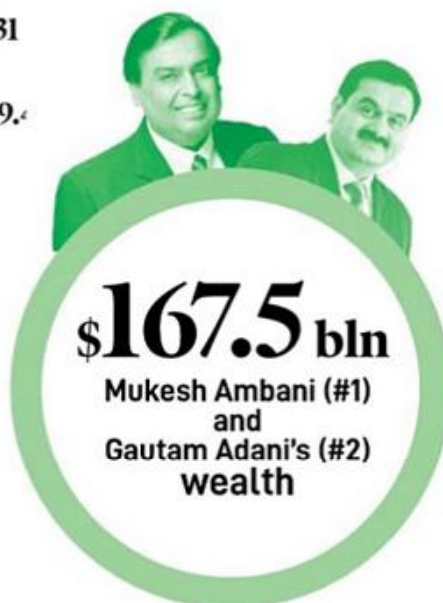
Wealth Builds Wealth

India's 100 richest added over \$325 billion to their cumulative wealth in the second year of the pandemic, taking the grand total to \$775 billion. Mukesh Ambani remained the reigning king—ranked No 1 since 2008—for the 14th year. The oldest billionaires are 92, while the two youngest are 35. Meet the top 10, the newcomers and dropouts, richest women, the youngest and the oldest

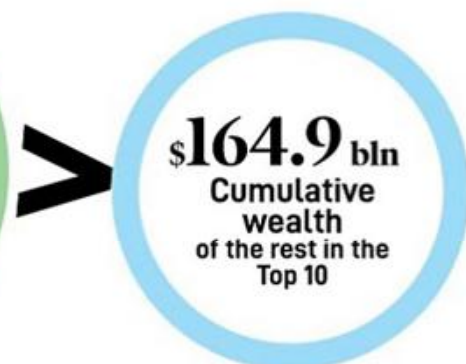
By RUCHIKA SHAH

Top 10

RANK		WEALTH IN 2021 (\$ BLN)	WEALTH IN 2020 (\$ BLN)
1	Mukesh Ambani Reliance Industries	92.7	88.7
2	Gautam Adani Adani Ports & SEZ	74.8	25.2
3	Shiv Nadar HCL Technologies	31	20.4
4	Radhakishan Damani Avenue Supermarts	29.4	15.4
5	Cyrus Poonawalla Serum Institute of India	19	11.5
6	Lakshmi Mittal ArcelorMittal	18.8	10.3
7	Savitri Jindal OP Jindal Group	18	6.6
8	Uday Kotak Kotak Mahindra Bank	16.5	11.3
9	Pallonji Mistry Shapoorji Pallonji Group	16.4	11.4
10	Kumar Birla Aditya Birla Group	15.8	8.5



100 RICHEST CUMULATIVE WEALTH



#2

Gautam Adani
 Adani Ports & SEZ

 WEALTH IN 2021
\$74.8 bln

 WEALTH GAIN
\$49.6 bln

#3

Shiv Nadar
 HCL Technologies

 WEALTH IN 2021
\$31 bln

 WEALTH GAIN
\$10.6 bln

#4

Radhakishan Damani
 Avenue Supermarts

 WEALTH IN 2021
\$29.4 bln

 WEALTH GAIN
\$14 bln

Top 5 Gainers (in percentage terms)

RANK		% RISE IN WEALTH	WEALTH IN 2021 (\$ BLN)
2	Gautam Adani Adani Ports & SEZ	196.83%	74.8
7	Savitri Jindal OP Jindal Group	172.73%	18
59	Arun Bharat Ram SRF	157.46%	3.45
68	RG Chandramogan Hatsun Agro Product	129.32%	3.05
24	Vinod & Anil Rai Gupta Havells India	114.08%	7.6

Top 5 Losers (in percentage terms)

RANK		% DROP IN WEALTH	WEALTH IN 2021 (\$ BLN)
90	PV Ramprasad Reddy Aurobindo Pharma	15.52%	2.45
53	Kiran Mazumdar-Shaw Biocon	15.22%	3.9
79	PP Reddy Megha Engineering & Infrastructures	11.94%	2.73
75	Gupta Family Lupin	11.88%	2.82
69	Reddy Family Dr Reddy's Laboratories	7.38%	3.01

The Top 10 Club: Who's In, Who's Out?

Into the Top 10


Savitri Jindal
 OP Jindal Group

 Wealth in 2021
\$18 bln

 Wealth gain
\$11.4 bln

 Rank in 2021 **7**

 Rank in 2020 **19**

Out of the Top 10

Hinduja Brothers
 Ashok Leyland

 Wealth in 2021
\$14 bln

 Wealth gain*
\$1.2 bln

 Rank in 2021 **15**

 Rank in 2020 **5**

Kumar Birla
 Aditya Birla Group

 Wealth in 2021
\$15.8 bln

 Wealth gain
\$7.3 bln

 Rank in 2021 **10**

 Rank in 2020 **14**
Godrej Family
 Godrej Group

 Wealth in 2021
\$15.2 bln

 Wealth gain*
\$4.2 bln

 Rank in 2021 **11**

 Rank in 2020 **9**

*Despite an increase in wealth, both Hinduja brothers and the Godrej family dropped out of the Top 10

Newcomers

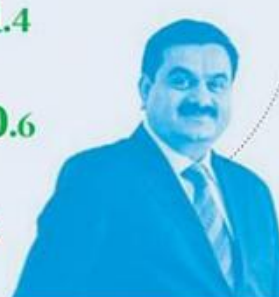
Billionaires who found place on the list for the first time

RANK		AGE	WEALTH (\$ BLN)
57	Inder Jaisinghani Polycab India	68	3.6
87	Arvind Lal Dr Lal PathLabs	72	2.55
93	Ashok Boob Clean Science and Technology	69	2.3
97	Deepak Mehta Deepak Nitrite	64	2.05
99	Bajranglal Taparia Supreme Industries	87	1.95
100	Yogesh Kothari Alkyl Amines Chemicals	72	1.94



Top 5 Gainers (in absolute terms)

RANK		WEALTH GAIN (\$ BLN)	WEALTH IN 2021 (\$ BLN)
2	Gautam Adani Adani Ports & SEZ	49.6	74.8
4	Radhakishan Damani Avenue Supermarts	14	29.4
7	Savitri Jindal OP Jindal Group	11.4	18
3	Shiv Nadar HCL Technologies	10.6	31
6	Lakshmi Mittal ArcelorMittal	8.5	18.8

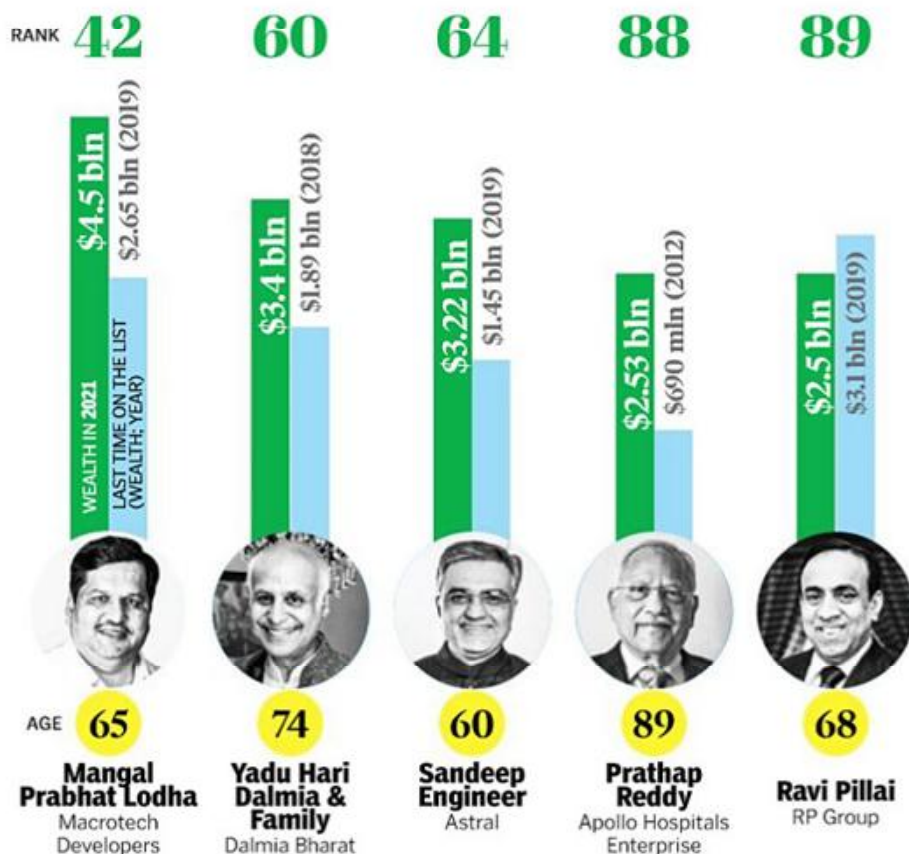


Top 5 Losers (in absolute terms)

RANK		WEALTH LOST (\$ BLN)
53	Kiran Mazumdar-Shaw Biocon	0.7
90	PV Ramprasad Reddy Aurobindo Pharma	0.45
75	Gupta Family Lupin	0.38
79	PP Reddy Megha Engineering & Infrastructures	0.37
69	Reddy Family Dr Reddy's Laboratories	0.24

Returnees

Billionaires who made a comeback on the 2021 Rich List



Dropouts

Billionaires who dropped out of the 2021 Rich List

2020 RANK	
67	Shashi & Ravi Ruia Essar Group
73	Mahendra Prasad Aristo Pharmaceuticals
76	Sunny Varkey GEMS Education
82	Chirayu Amin Alembic Pharmaceuticals
88	Anand Mahindra Mahindra & Mahindra
91	G Rajendran GRT Jewellers
92	Bhadresh Shah AIA Engineering
93	Rajju Shroff UPL
94	Manohar Lal & Madhusudan Agarwal Haldiram Snacks
97	Premchand Godha IPCA Laboratories
98	Rajesh Mehra Jaquar Group

#8

Uday Kotak
Kotak Mahindra Bank



WEALTH IN 2021

\$16.5 bln

WEALTH GAIN

\$5.2 bln

#9

Pallonji Mistry
Shapoorji Pallonji Group



WEALTH IN 2021

\$16.4 bln

WEALTH GAIN

\$5 bln

#10

Kumar Birla
Aditya Birla Group



WEALTH IN 2021

\$15.8 bln

WEALTH GAIN

\$7.3 bln

WEALTH IN 2021
(\$ BLN)

3.9

2.45

2.82

2.73

3.01



#47

Divya Gokulnath
Byju's



WEALTH IN 2021

\$4.05 bln

AGE
35

Youngest Billionaires

#86

Nikhil Kamath
Zerodha Broking



WEALTH IN 2021

\$2.59 bln

AGE
35

#9

Pallonji Mistry
Shapoorji Pallonji Group



WEALTH IN 2021

\$16.4 bln

AGE
92

Oldest Billionaires

#70

Devendra Jain
Gujarat Fluorochemicals



WEALTH IN 2021

\$3 bln

AGE
92

WEALTH IN 2020 (\$ BLN)

2.2

1.98

1.85

1.71

1.57

1.54

1.53

1.5

1.45

1.36

1.35



Richest Women on the List

RANK

7

Savitri Jindal
OP Jindal Group



WEALTH IN 2021 (\$ BLN)

18

WEALTH IN 2020 (\$ BLN)

6.6

24

Vinod Rai Gupta
Havells India



7.6

3.55

43

Leena Tewari
USV



4.4

3

47

Divya Gokulnath
Byju's



4.05

3.05

53

Kiran Mazumdar-Shaw
Biocon



3.9

4.6

73

Mallika Srinivasan
(Amalgamations Family)
Tractors & Farm Equipment



2.89

2.45

THE
100
RICHEST
INDIANS
2021

Ashneer Grover has one fundamental rule in life. "If you have to do something, do it big," says the 39-year-old co-founder of BharatPe. "Because, if you must do something smaller, it takes an equal amount of effort."

There is merit in that argument, particularly since Grover and BharatPe have made it a habit of making it big. In just three years, he has built BharatPe, founded in April 2018, into one of India's biggest fintech startups, with a valuation of \$2.85 billion after it raised \$370 million from investors including Tiger Global, Sequoia Growth, and Dragoneer Investment Group in August.

In June, its joint venture (JV) with Mumbai's Centrum Group received an in-principal approval from the Reserve Bank of India (RBI) to take over the troubled PMC Bank and re-launch it as a small finance bank. The JV will become the first small finance bank in nearly six years to get RBI's approval.

"Even today, I don't care about these valuations," Grover says. "I absolutely don't give a damn about it. For me, the question is whether I am a leader or not. If I'm the leader, money will follow. If I'm not, then I will be following the money. I am in no mood to follow the money."

BharatPe, the financial services platform that Grover founded along with Shashvat Nakrani, an IIT-Delhi dropout, processes payments and provides credit or loans to merchants and shopkeepers; they also built India's first UPI interoperable QR code. The company is India's first zero merchant discount rate (MDR) payment acceptance service, with over 70 lakh merchants across 140 cities, processing 12 crore UPI transactions per month with an annualised transaction value of \$10 billion. MDR is what merchants pay banks for accepting payments from customers via digital means.

BharatPe also operates what Grover calls India's largest peer-to-



The Rise Of The Goliath

In just three years, Ashneer Grover-led BharatPe has redefined India's payment ecosystem. The unicorn now wants to challenge India's banks

By MANU BALACHANDRAN

peer lending service, mostly offered to merchants. "To me, it was clear from the beginning that the business to do in India is not commerce, it's lending," says Grover, managing director and co-founder of BharatPe. "You have a much better chance of being successful if you try to be an Uday Kotak as against a Kishore

Biyani. If we look back, Kotak has created more value in the last 25 years even though he and Biyani would have started at the same point in time."

FROM GOLD LOANS TO UNICORN

In many ways, Grover is the quintessential middle-class boy. "Out and out a Delhi boy" (in

(From left) Ashneer Grover, co-founder and managing director, Suhail Sameer, CEO, and Shashvat Nakrani, co-founder of BharatPe



his own words), and the son of a teacher mother and a chartered accountant father, he went to IIT-Delhi to study civil engineering, before attending IIM-Ahmedabad.

His peers at IIT-Delhi included Sachin Bansal, co-founder of Flipkart, Deepinder Goyal, co-founder of Zomato, Albinder Dhindsa, co-founder of Grofers, and Sujeet Kumar, co-founder of Udaan.

After graduating from IIM, Grover joined the investment banking division of Kotak Bank, where he worked under Falguni Nayar, who went on to become the founder and CEO of Nykaa. At Kotak, much of Grover's work involved activities including early-stage funding, helping with IPOs, loan offerings, and restructuring assets. "I was very keen on doing a lot more of bits and pieces rather than specialising in just one product," he says. "That's how you learn a lot more.

I did some 10-odd deals worth \$3 billion, was consistently the highest-rated guy, and doing extremely well."

Doing well also meant that Grover would have had to move to Mumbai. "The Bombay life did not attract me at all," he says. "So, after seven years, when it became inevitable that I had to either go to Bombay or go out, I decided to go out."

Staying back in Delhi, Grover moved to American Express, where he was director for corporate development—the role involved studying payment companies and investing in them on behalf of Amex. That meant meeting over 100 founders in the two years that he spent there, providing him with an insight into India's payment industry, particularly as the fintech revolution in India began to take shape. Of course, much of India's fintech revolution came after demonetisation in 2016.

By 2015, Albinder Dhindsa, co-founder of Grofers and his classmate at IIT-Delhi, approached Grover to join him at the online grocery delivery service. "Albinder said he was raising funds and wanted my help," Grover says. "In fact, Grofers' business plan was created in the Amex office. And

before we knew it, we had received \$10 million from Tiger and Sequoia."

At Grofers, Grover was the CFO, and helped raise money from SoftBank and grow the business from 30 orders to 30,000 orders a day. "I was in the thick of things and literally the third co-founder there," he says.

The experience at Grofers gave Grover insights into building a business from scratch. By 2017, as the competition within the online retail industry began to grow and BigBasket began to cement its leadership position, Grover realised that a merger was the best way out.

Around the same time, Paytm Mall, which was struggling, was in talks to invest in BigBasket, which had, in many ways, scuttled Grofers' prospects. "Once the deal fell through, I had a tough call to take on whether to stick around or to move on," Grover says. "Unfortunately, as I was not made good for my promise of equity, the decision to move on became easier. So, I stepped away."

THE BIG BREAK

While Grover considered building a gold loan business for PC Lal Jewellers, he knew the enormous potential awaiting in the small merchant business. "One of the things I realised was that you could not sell the shopkeepers any service," he says. "They have a 15 percent margin and after their cost and everything, they take home between 6 and 8 percent. So, they have no willingness to pay even a single percent out of that."

Around the same time, he met Shashvat Nakrani, a student at IIT-Delhi. Nakrani had figured out the architecture of the Unified Payments Interface (UPI), a government-owned system that enables real-time payments and instant transfer of funds between two bank accounts. "They realised that architecturally there's no difference between a person paying a person or person paying the merchant," Grover says.

At that time, incumbent players

IN A SNAPSHOT

Total merchants
Over 70 lakh

Annualised transaction processed value
\$10 billion

Total UPI transactions
11 crore

Loans disbursed
₹ 1,800 crore



such as Paytm and PhonePe were using closed-loop QR codes, although UPI allowed them to be interoperable. Closed-loop QR codes only allowed transactions on one platform.

"That meant two things," Grover says. "We could build a pure merchant-side business. We did not have to be on both sides. What that meant was, payments in India were going to go to zero. We realised that if this becomes big, then nobody is going to pay for paying another person. Over time, the merchant will also not pay for receiving those payments."

The company set up its first interoperable QR code in August 2018. These QR codes enabled offline businesses to register and receive UPI payments directly into their bank accounts without any charges. Earlier, companies would charge around 0.6 percent from merchants on every transaction. In October 2020, the RBI said payments companies would have to shift to interoperable QR codes by March 31, 2022.

"We said we are not here to make money on payments and the larger industry hates me for it because they think I'm the person who has driven economics of MDR to zero in India," Grover says. "But if it was not me, there would be another Ashneer doing it," Grover says. "There are enough smart people who would have figured out that. There's no money to be made in payments anymore."

Over the next few months, the company actively pursued adding more merchants to its platforms, who were willing to use their service since they did not have to pay any transaction fee. "For the first six months that we were doing this business, everyone said these guys will die."

But in those six months, Grover says, BharatPe just took the market away from everyone to the extent that incumbents, including PhonePe and Paytm, were also forced to offer payments free. Soon, the government, which was looking to ramp up digital

THE QUICK JOURNEY TO BEING A UNICORN

April 2018

Founded by **Ashneer Grover** and **Shashvat Nakrani** in New Delhi



October

Raises **\$2 million** in seed funding from Sequoia Capital India and Singapore-based VC firm Beenext

February 2019

Raises series A funding of **\$14.5 million** from investors led by Sequoia Capital



June 2019

Raises **\$50 million** from Insight Partners, Ribbit Capital, Steadview Capital in series B round valuing the company at **\$225 million**

February 2020

Raises **\$75 million** from Coatue, Ribbit Capital in series C round valuing it at over **\$400 million**



February 2021

Raises **\$108 million** from Coatue Management in series D round. Valuation grows to **\$900 million**

August

Raises **\$370 million** from investors led by Tiger Global, valuing the company at **\$2.85 billion**

transactions in India, realised that the high MDR costs were hindering adoption and removed them.

"From January 2020, my biggest cost item became zero," Grover says. Until then, the company was absorbing the costs, and paying the transaction cost, seeing it as a customer acquisition opportunity. "I did not have to even pay the banks anything, and we had already acquired a whole bunch of customers. It was a bold call back then and I don't know how many more months I could have survived bearing that cost."

With a sizeable merchant base under its belt, the wily Grover sensed the next big opportunity, prompting him to start lending on the platform. "Nobody lends to this segment," Grover says. Much of that is because the lender has no access to the size of the business that the shopkeeper has. India has an estimated 70 million shopkeepers who control almost 90 percent of the country's retail trade, with limited access to capital.

"We were in the money flow and knew about the transactions," Grover says. The company soon tied up with LenDenClub and Liquiloans, where BharatPe was the originator of the liability and began lending on the platform at an interest rate of 2 percent per month. The company would ease the payment process by charging merchants when they received a payment.

Starting lending on the platform also meant an opportunity to build a peer-to-peer lending platform, especially for cash-rich merchants looking to lend money to those in urgent need. "The merchant who is saving money with us can earn up to 12 percent, and that money is allocated to a borrower who's paying the 24 percent." The company claims to run the largest peer-to-peer lending in the country. So far, the company has also disbursed some ₹1,900 crore.

Last year, the New Delhi-headquartered company also decided to foray into the card-swiping business with Bharat Swipe, India's first zero rental and zero MDR point of sales (PoS) machine. "We did not want to charge an MDR for swiping of cards," Grover explains. "When the customer swipes, the merchant can see the whole balance. If they take it within 15 days, they must pay me 1 percent. If they take it out after 15 days, they don't have to pay anything."

GOING BIG

With the company now joining the coveted unicorn club, BharatPe and Grover are only getting started.

And much of that, Grover attributes to the steadfast focus on lending. "Three years ago, I did envision that I would be doing the lending business on the back of payments," he says. "The core business plan has never changed. In my first deck to Sequoia, I said I'm going to do payments for free, and I'm going to make money on lending. Three years on, I'm still doing exactly what I had for me right from the first day, which is a matter of pride."

It only helps that the company's banking aspirations are taking shape now, a plan that had been in the works for a long time. "I want to give more and more loans, and my play is against the organised e-commerce trade," Grover says. "What if I became the bank account for these merchants. Then I can do tonnes of things because not only am I the pipe through which the money flows, I'm also the container in which the money goes and sits."

While Grover hasn't given a timeline on when the small finance bank will begin operations, he reckons the lack of innovation in the sector will give him an opportunity to offer new products. India's market for digital lending is poised to grow from \$110 billion in 2019 to \$350 billion in 2023, according to PwC. "This will increase the share of digital lending in India's overall lending market from 23 percent in 2018 to 48 percent by 2023, making digital lending a sector with the highest penetration by digital channels in the country," a PwC report says.

"If you look at the last 25 years in terms of banking innovation, other than UPI and faster movement of money, there's no new product," Grover says. "It's going to get redefined when five folks like me meaningfully jump and give competition to Uday, to HDFC, ICICI, Axis. When we compete against each other is only when the customer is going to see a new product and a new level of banking."

It also helps that BharatPe's partner Centrum, too, is looking to expand aggressively. "Since our larger objective was to scale, this was a wholesome complement to what we were planning to do," Jaspal Bindra, the executive chairman of Centrum Group, had told *Forbes India* earlier. "The eventual plan is to go the full distance. Directionally, a small finance bank is still a logical [step forward]." That means, over the next few months, the new bank will be in direct competition with larger players such as AU Small Finance Bank led by new billionaire Sanjay Agarwal, Ujjivan Small Finance Bank led by Nitin Chugh, and Equitas Small Finance Bank led by PN Vasudevan.

Then there is the massive opportunity in the UPI segment that has begun to pick up lately. In August 2021, the total number of transactions on the UPI platform across 249 banks stood at 3.5 billion, valued at ₹6.3 lakh crore. Just a year ago, that number stood at 1.6 billion, worth ₹2.9 lakh crore.

GETTING STARTED



SOURCE: Tofler

"I think the next wave is all about credit on UPI," Grover adds. "How fast can any of these players transform from being a pure debit play to a credit play will determine whether you can make money or not."

BharatPe, meanwhile, will likely launch consumer-focussed programmes on its platform over the next month. "We've so far been underwriting merchants, but we see the full transaction," says Suhail Sameer, CEO of BharatPe. "I think the first product will be simple in the form of 'buy now, pay later'. It will be done disruptively as compared to what other people do." Sameer took over as CEO this August, as Grover turns his attention to strategy.

The company has also launched secure lending on its platform, providing loans in exchange for a collateral. "We have just launched our first secured lending product in the form of gold loans," Sameer says. "Over a period, we will launch more and more products like auto loans, loan against property and so on. Therefore, the focus is to launch and scale a series of merchant-focussed lending products for the business."

All that means that the Indian fintech revolution will see investors making a beeline for companies like BharatPe. "We've seen global investors taking an interest in the Indian digital payment space in the past few years and expect it to continue attracting investments in the coming years," PwC said in a report last year. "In the first six months of 2020, India's fintech sector attracted \$1.47 billion in investments, which is almost 60 percent higher than that received in the corresponding period last year. In 2019, total investments in the Indian fintech space were worth \$ 3.7 billion compared to \$1.9 billion in 2018."

For now, Grover and BharatPe have their hands full. If the interoperable QR code revolution that BharatPe had brought about is any indication, it's only a matter of time before they give India's banks a run for their money. **F**

The Corporate Playbook

India Inc is investing money and mindspace to fuel the country's Olympic dreams. It's been a good start, but there is a long way to go

By KATHAKALI CHANDA & NAINI THAKER

Amit Chandra laughs gently when asked if he's ever been into sports. "If you meet me, you'll realise I'm the least likely person for it," says the managing director and India chairperson of Bain Capital Private Equity. "I've never played. I have been far from superfit all my life."

In his day job, Chandra chases staggering digits and builds value through investing. When he steps outside the boardroom, he does more of the same—only, with a separate set of professionals. An inveterate philanthropist, Chandra and his wife donated ₹27 crore of their personal wealth in FY20, according to the EdelGive Hurun India Philanthropy List 2020. Through the non-profit ATE Chandra Foundation, they have established a network of giving, and work primarily with farmers and rural development, and in the area of capacity-building.

There is a notable exception to his portfolio, though. A tranche of Chandra's philanthropic endeavours is channelled towards the Olympic Gold Quest (OGQ), a not-for-profit that scouts and supports the best prospects among Olympic athletes. According to OGQ's Annual Performance Report 2019-20, the ATE Chandra Foundation contributed over ₹25 lakh towards its annual corpus that is spent on coaching, training, buying the best equipment and bringing

in cutting-edge sports science to make the athletes Olympics-ready.

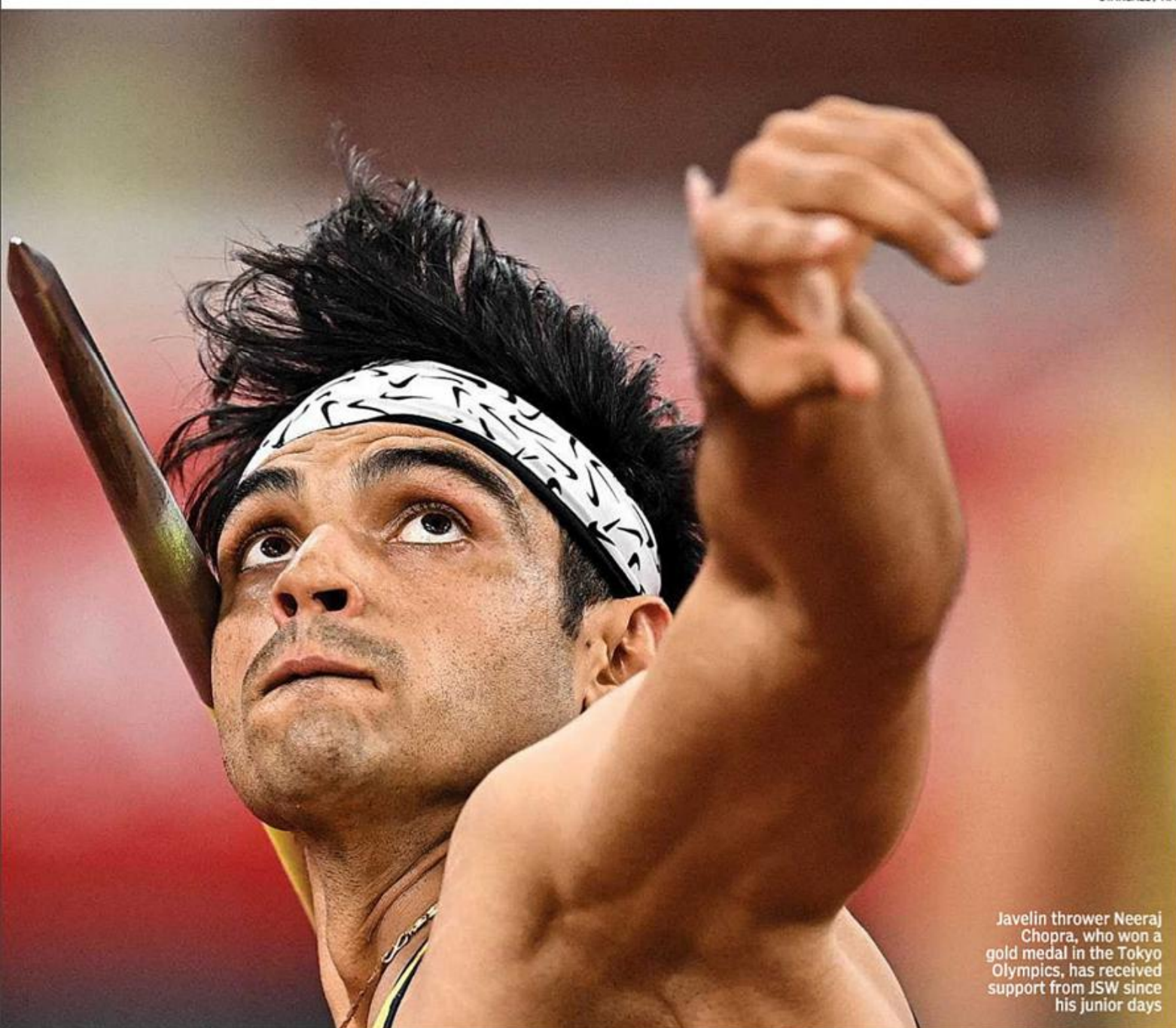
"My wife and I have always liked to support causes that are deeply underserved. It used to bother us that we as a nation had a huge aspiration to miraculously do well in sports on the world stage, and yet there was very little done in a systematic way to fulfil those aspirations," says Chandra, who has been supporting athletes through OGQ for nearly 15 years now.

Like Chandra, more and more corporates, either as an institution or in their individual capacity, are stepping up to support sports beyond mere cricket, which is led by the Board of Control for Cricket in India, the richest sporting authority in the country. Not just as a marketing endorsement for medal-winners, but also pumping in funds and bandwidth towards a holistic development of athletes before they make it to the podium.

Consider that, in 2012, leading conglomerate JSW set up a new vertical, JSW Sports, with former tennis player Mustafa Ghouse as its CEO. "We started this after the London Olympics, then the best medal show for India, with an eye towards improving the tally, and to provide junior athletes with best-in-class infrastructure and training," says Ghouse.

Since then, JSW Sports has straddled for-profit and non-profit ventures through owning a bouquet

of sports franchises on one hand, and supporting Olympic athletes in five sports—athletics, boxing, wrestling, judo and swimming—through a gamut of services, including infrastructure, training support, international exposure etc, on the other. Tokyo gold-medallist Neeraj Chopra has been supported by JSW since his junior days, while bronze-winning grappler Bajrang Punia has received its patronage since he was an understudy of 2012 medallist Yogeshwar Dutt.



Javelin thrower Neeraj Chopra, who won a gold medal in the Tokyo Olympics, has received support from JSW since his junior days

Like JSW, the Edelweiss Group has been throwing its weight behind Mirabai Chanu much before she became a household name by bringing India's first Olympic silver in weightlifting; as part of its women's empowerment initiative, the group offered Chanu, and five other women athletes, life and health insurance covers and an investible corpus that would ensure them long-term financial security. Equestrian finalist Fouaad Mirza made it to his first Olympics

with the sponsorship of the Embassy Group, while, in 2019, the Infosys Foundation, the philanthropic arm of IT major Infosys, committed ₹16 crore to the Prakash Padukone Badminton Academy for five years to scout for the next Saina Nehwals and PV Sindhus. And these are just a few examples.

"The field of sport is akin to a jigsaw puzzle, where many pieces need to come together to produce a long-term successful athlete. The athlete's success

depends not only on his/her talent but also on the support system s/he receives," says Sudha Murty, chairperson, Infosys Foundation.

IT'S A START

Viren Rasquinha, a former India hockey captain and the director and CEO of OGQ, confirms the expanding purse of corporate funding for Olympic sports, saying, for OGQ, it has grown at least 300 percent in the last 4-5 years. "And we can double it

in the next 4-5 years." In 2018, when JSW launched the Inspire Institute of Sports (IIS), a state-of-the-art sporting complex and high-performance centre in Karnataka's Vijayanagar, it had only a few donors; the number has gone up to 15-plus now, with annual CSR contribution reaching over ₹30 crore.

The GoSports Foundation, another non-profit venture working towards developing India's Olympic talents, has seen a 20-30 percent year-on-year growth of corporate funding after the 2016 Rio Olympics, a far cry from its early years when funding came in mostly from family and friends, and in parcels as small as ₹5,000-10,000. "A key turning period for corporate involvement in sports was the enactment of the CSR mandate in the Companies Act 2013," says Deepthi Bopaiah, chief executive officer of GoSports. "Some of the activities under the CSR policy included training to promote rural sports, nationally recognised sports, and Paralympic and Olympic sports."

CSR accounts for 70-80 percent of the funding for GoSports, around 65 percent for OGQ, and remains one of the principal modes for the corporate sector's investment in sports. According to the Ministry of Corporate Affairs' database, CSR funding for sports has risen from ₹57.61 crore in FY15 to ₹292.59 crore in FY20, despite a marginal fall from ₹307.48 crore in FY19. Reliance

VINCENZO PINTO / AFP VIA GETTY IMAGES



The Edelweiss Group has been supporting Mirabai Chanu much before she won India's first Olympic silver in weightlifting at the Tokyo Olympics

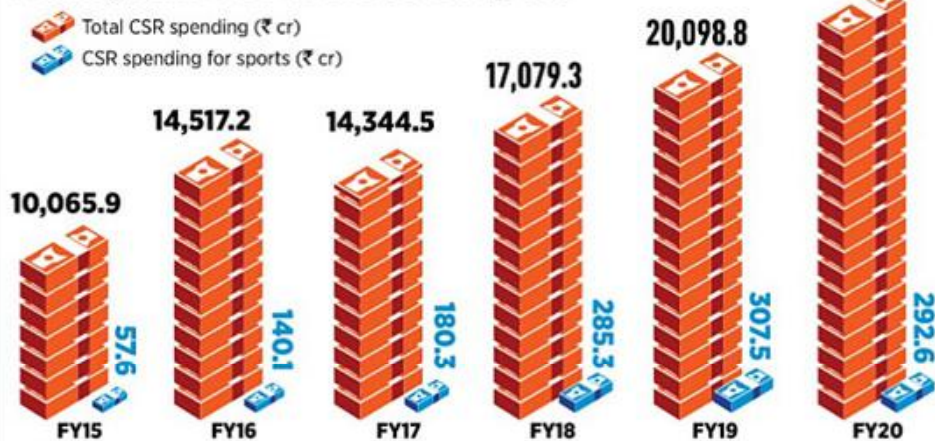
Industries (owner of Network 18, the publisher of *Forbes India*), which has launched multifarious sporting initiatives like the Young Champs and the Junior NBA programmes through its philanthropic wing, the Reliance Foundation, has been the highest spendee in the last recorded fiscal, channelling ₹41.65 crore of its total ₹908.71 crore CSR expenditure towards the promotion of sport.

But a closer look at the numbers will also reflect the wide gulf between total CSR spending and that directed at sports. FY20's ₹292.59 crore is a mere speck in a cumulative ₹24,062 crore expended on social causes—in the same year, ₹9,386.6 crore has been

spent on education, differently-abled and livelihood, ₹6,435.1 crore on health, eradicating hunger, poverty, safe drinking water, sanitation, etc, while rural development has drawn close to ₹2,252 crore.

"In sports, you are always competing with causes far more rational and practical, like health, welfare, women's education, sanitation and, in the last one and a half years, Covid," says Rasquinha of OGQ. "For every big company that we go to requesting CSR support, there are 50 proposals on their table. The choice for the corporate would be: Do you give money to construct 20 toilets, or send 20 girls to school, or send Olympic hopefuls abroad for training for a couple of months?"

Moneyball: For the love of sport



SOURCE: National CSR Data Portal

NATION-BUILDING THROUGH SPORTS

With so many pulls at work, why would a corporate pick the less-tangible (compared to, say, primary education), and less-glamorous (compared to cricket) Olympic discipline as a cause to support? To leverage the power of sport as a change agent and catalyse nation-building. Says Chandra of Bain, "If you are trying to address issues like gender inequalities, the government and foundations

working in the area can spend crores to raise awareness. But when you create a few role models, like a Rani Rampal or a Mirabai Chanu, that can have a far more powerful effect than those programmes. That's what cricket has done, and that's what Olympic sports can do too."

Such unstinting support means backing athletes in the long run, and staying on amidst disappointments—like the lacklustre Rio Games, where India came away with just two medals. Which is why OGQ requests corporate donors to stay on for at least one Olympic cycle of four years and has managed to renew about 80 percent of the total donations on an average over the last four years.

Tata Motors' association with the Wrestling Federation of India (WFI) is one such tie-up of multiple Olympic cycles (till Paris 2024). "We engaged with a few wrestlers in 2018 and picked up on some of their pain points in areas like international coaching, exposure, sparring with quality partners, injury management etc. That's when we came up with providing support for two sets of programmes for elite as well as junior athletes, which was structured by Sporty Solutionz, an advisor to the WFI," says Girish Wagh, executive director of Tata Motors.

While 'returns on investment' is a term that most of these corporates detest and believe is best left behind in the boardroom, Wagh admits the engagement with sports gives the company a good platform to connect with various stakeholders in the business—customers, financiers,



AMIT CHANDRA, MD AND INDIA CHAIRPERSON OF BAIN CAPITAL PRIVATE EQUITY

"When you create role models, like a Rani Rampal, it can have a far more powerful effect than awareness programmes. That's what cricket has done, and that's what Olympic sports can do too."

insurers, commercial vehicle drivers and channel partners. "We found wrestling as a sport resonates well with the brand attributes that Tata Motors' commercial vehicles have and helps us in reaching a larger set of audiences," adds Wagh.

A number of corporate leaders has eliminated the P&L statement when it comes to investments in Olympic sports. As a company, while the Embassy Group sets aside around ₹15-18 crore annually for CSR, chairman and managing director Jitu Virwani shells out crores from his own pocket to support the equestrian dreams of Olympian Mirza.

With the Equestrian Federation of India (EFI) an army bastion, and most of its elected office-bearers army personnel, Virwani found it difficult to make inroads as a civilian. "I realised if I relied on the federation, I would be going nowhere. Despite the RBI's approval, the EFI hasn't provided with the required NOC to deploy the sponsorship funds. It continues to be a stumbling block in our endeavour to support the sport in India," says

Virwani. "So I started putting in my own money in training riders. From 2014, till now, I have spent about \$8-9 million." The real estate entrepreneur claims he spent ₹15 crore on Mirza's Olympic journey alone. "Equestrian is an expensive sport. The expenses on horses is about ₹20,000 a month, while we gave Fouaad about ₹1,000 pocket money per month." An Embassy REIT will also be channelling ₹2 crore to the Germany-based International Horse Agency that will train two Indian athletes for the upcoming Asian Games in 2022.

Besides, with the expanse of most Olympic sports going beyond the privileged metro milieu, and athletes coming from varying economic strata and remote corners, it also gives the corporates an opportunity to champion weaker social constituencies. Women, for instance. Rashesh Shah, chairperson of the Edelweiss Group, and his wife Vidya, executive chairperson of the EdelGive Foundation, spend around 10 percent of their CSR budget on sports—a total of ₹7-8 crore annually, divvied up among the OGQ and the Indian Olympic Association (IOA)—with a focus on women.

"When we started supporting OGQ in 2010, non-cricket sports received very little support. And there was even less for women athletes. We decided our support would be only towards women athletes and we continue to do that till this day," says Vidya. "We've supported boxer Mary Kom

Top 10 companies and CSR spending for sports (₹ cr)



SOURCE: National CSR Data Portal

MANJUNATH / AFP



Sport legends and board members of the Olympic Gold Quest: Billiards world champion Geet Sethi, All-England-winning shuttler Prakash Padukone and grandmaster Viswanathan Anand, with boxing champion Sarita Devi

An aerial view of JSW's Inspire Institute of Sport in Karnataka



way back in 2010, two years before she won her Olympic bronze in London, and also other athletes like archer Deepika Kumari, shuttler PV Sindhu among others, for a very long time."

IndusInd Bank, on the other hand, wanted to change the narrative around para-athletes, from a mere social or CSR target to creating a pure sporting legacy and encouraging inclusivity. In 2016, it created IndusInd For Sports, a non-banking sports vertical, to profess and practise a sports philosophy that was sustainable in the long term for its employees, customers and the community. With about 12-15 percent of its CSR budget directed towards sports, the bank tied up with the para-champions programme of the GoSports Foundation, also supported by Sony Pictures Networks India and AT&T, and helped scale it. "At Rio, 11 of the 19 athletes were funded through this programme, while 21 of the 54 athletes who qualified for Tokyo were part of this programme. Imagine the change," says Sanjeev Anand, head of corporate banking, himself once a national-level squash player and a keen sportsperson. "It's a great thing that this counts as a CSR activity. But if it wasn't, we would still have done it."

Says Shah of Edelweiss: "At Edelweiss, we have always nurtured a philanthropic culture of investing in society. At our foundation, we don't say 'giving back', because that implies you have taken something that you are

giving back. We call it investing back. Like we invest in various companies and business, we also need to invest in the country and its social structure."

WELL-BEGUN IS ONLY HALF-DONE

While the role of corporates in promoting Olympic sports has gained enough steam and visibility, especially after India's best show at the Tokyo Olympics and Paralympics this year, the sector doesn't operate in a vacuum, but in tandem with the government, the biggest stakeholder for sports in the country, as well as the respective sporting federations. That the lion's share of the funding for sports comes from the government is evident from its ₹2,596 crore allocation in the Union Budget of 2021, despite an 8 percent dip from the previous year. That's a long way off from the under-₹300 crore CSR expenditure for sports in FY20.

"When I look at the entire CSR space, you have some ₹50,000 crore available from 2013-2020, and out of that, less than 2 percent comes to sports. Hence, there's a long way to go. But the fact that even then we have the results, it's because the government and the TOPS [Target Olympic Podium Scheme] have played a critical role," says Bopaiah of GoSports. "The government of India doesn't get enough credit I feel, with the amount of money it spends."

Amrit Mathur, a senior sports

administrator and an advisor to the Ministry of Youth Affairs and Sports in 2014, who formulated TOPS that was launched for elite athletes, says that as much as corporate India remains a key stakeholder in the promotion of sports, the government will be the primary driver in a country as large as India. "We need huge money in terms of training, infrastructure; we need huge money to go to the grassroots. No one can do better than the government on that front. Corporate India has just about gotten started to get involved, and will need to play a much bigger role," he says.

"Also, there must be transparency and disclosure about support/investment for promoting businesses and brands, and no-strings-attached support for sport. Signing athletes for endorsements, sponsorships is a marketing move and, while perfectly legitimate, should not be confused with contribution to nation-building," Mathur adds.

What Mathur wants India Inc to do is go deeper into the grassroots, and not just focus on a section of the Olympic contingent, or just build a few stadiums. The government is the lead player, but corporates will have to play a much larger role than what they do now to fill in where the government can't.

"Money isn't actually a problem in Indian sports. The government has enough. The issue is expertise and

VIRENDRA SINGH GOSAIN / HINDUSTAN TIMES VIA GETTY IMAGES



Wrestling medal winners from the Commonwealth Games in 2014 being felicitated by JSW; the conglomerate had launched a sports vertical in 2012 to provide junior athletes with best-in-class infrastructure and training

professional handling, handholding athletes 24x7, to give them the last-mile competitive advantage. These are the areas where the government isn't very competent; this is something only a private player can bring in for the athlete. It has been happening and organisations like JSW do good work. Its training centre at Vijayanagar is fantastic; it is an example of creating infrastructure and filling a gap that the government is unable to do. But if I ask you to name 10 private players who are doing enough for Olympic sports, you will struggle," says Mathur. "Which is why, at this moment, I feel corporate India has been claiming a disproportionate amount of credit, like a 12th player in a cricket team wanting to be the captain."

In a 2016 report published by KPMG and the CII (Confederation of Indian Industry), titled 'The Business Of Sports—Playing To Win As The Game Unfurls', the limited

involvement of the private sector was cited as one of the key issues in the sporting landscape. The report recommended incentivisation of the sector as well as non-profits by providing monetary or tax incentives, and promoting the public-private partnership (PPP) model through favourable policies at both the state and central levels. There has been movement on that front, with JSW running the Giri Center for Sports in Hisar, Haryana, with Sports Authority of India (SAI), a high-performance swimming programme along with the government of Odisha, and moving forward on another SAI centre in the Northeast. "We've hosted two senior boxing nationals and one wrestling national competition at the IIS, held two camps for boxing and the National Cricket Academy, and one each for judo, wrestling, athletics and shooting. We are also a Khelo India-accredited centre," says Ghose of JSW.



"At our foundation, we don't say 'giving back'... we call it investing back. Like we invest in various companies and businesses, we also need to invest in the country and its social structure."

RASHESH SHAH, CHAIRPERSON, EDELWEISS GROUP

"The biggest difference since the Rio Olympics in 2016," says Rasquinha of OGQ, "is that all stakeholders are working together. For example, for Mirabai Chanu, the OGQ worked with the weightlifting federation and TOPS for the last five years to ensure all the gaps in the training were filled. We've ensured transparency of funding, eliminated overlaps, and shared research and data as much as possible."

Recently, WFI President and MP Brij Bhushan Sharan Singh fired a salvo at private organisations like JSW and OGQ over Vinesh Phogat's alleged 'improprieties' in Tokyo and subsequent suspension. In an interview to *The Indian Express*, he argued that the federation was in the dark over Phogat's plans, which were emailed directly to TOPS, and threatened "*bilkul nahi kheine doonga* [won't allow players associated with such organisations to play]". "We don't need OGQ and JSW," Singh said in the interview.

Phogat was later let off with a warning, but the flashpoint has opened a conversation on how public-private collaborations can be made seamless. Perhaps delineating roles for each stakeholder is a way out. "The sports ministry is the main stakeholder and it will have to get others on board with a clarity about roles to ensure cohesion," says Mathur.

The private sector is game. "We were a bit surprised with the comments of the WFI chief. We have reached out to him thereafter and are working with them and will continue to do so," says Ghose of JSW.

To borrow a sporting analogy, the journey to the Olympic podium is a marathon, and not a sprint. And the jump in India's medal count—from two in Rio 2016 to seven in Tokyo 2020, including an individual gold—indicates that the stakeholders are on the right track. If the creases are ironed out amicably, India's dreams of turning into an Olympic powerhouse might not be distant anymore. **F**

The Mother of Turnarounds

At a time multi-specialty players dominate the landscape, Vishal Bali-led Asia Healthcare Holdings has bucked the trend by pushing loss-making single-specialty entities like Motherhood Hospitals and Nova IVF on the growth path

By MANU BALACHANDRAN

Vishal Bali relishes being pushed against the wall. It's when the chips are down, Bali says, that he can quickly identify a worthy execution plan. Of course, years of experience of running two of India's biggest hospital chains and, most recently, building one of India's fastest-growing health care businesses help. But there is nothing quite like the thrill of turning around something that others consider impossible.

Bali is currently the head of Asia Healthcare Holdings (AHH), an investment platform of TPG Growth, the equity fund owned by alternative asset management firm TPG that specialises in investing in single-specialty hospitals in the country. For Bali, the business could not have been any different, having built up and run multispecialty hospitals all his life. Bali was formerly the CEO of Wockhardt Hospitals and Fortis before joining AHH.

AHH was launched in India in 2016 following the acquisition of the cancer hospital chain Cancer Treatment Services International (CTSI) for \$38 million. Today, the chain owns Motherhood Hospitals, a pan-India specialty hospital chain offering premium maternity and child health care services

across eight cities, and Nova IVF, a fertility treatment provider with 36 facilities across 24 cities.

"When you get pushed against the wall, being told that this is not the thing to do, your execution brain tells you there is something that one can build over here," says Bali, the executive chairman of Asia Healthcare Holdings. "I am building an enterprise and I'm enjoying this journey."

Bali's push towards single-specialty hospitals comes at a time when hospitals across India chase multi-specialty line of operations, particularly led by the likes of Narayana Healthcare, Manipal, Apollo, Fortis, and Aster among others. In May, Manipal Hospitals acquired multispecialty hospital chain Columbia Asia Hospitals Private.

"If you take a look at all the multi-specialty players, they have spent almost two decades to scale up in size with tonnes of capital gone behind it,"

Bali says. "But the return on invested capital in most of these enterprises are at less than 10 percent. So effectively, you put in a lot of capital, you have taken a long time to grow, and then you have not got the right returns."

In the single-specialty space, however, Bali reckons the potential is much better. For instance, when Bali and AHH acquired Motherhood, the company had revenues of around \$7 million. It has now grown to \$39 million. "This is unprecedented in this sector," Bali says. The Motherhood business already has an Ebitda margin of over 17 percent. Similarly, in the IVF business, when AHH had acquired Nova, the company was bringing in some \$30 million of revenue but with a loss of \$5 million. "We turned it around in six months. What was negative in that first year, we turned it around with a growth of about 20 percent."

BUILDING IT ALL UP

For Bali, building up the new business in health care came rather naturally. "This is all that I know of," says the 53-year-old.

After starting as a management trainee at Wockhardt Hospitals in 1991, he went on to become the CEO. In 2009, the Habil Khorakiwala-promoted Wockhardt Hospitals sold 10 of its hospitals to Fortis Healthcare for ₹909 crore, in one of the largest health care deals in the country, making Fortis the second largest health care provider in India.

Bali became the CEO of Fortis Hospitals before relinquishing his duties five years later. Soon after,



"Nova's business was over-managed, and the focus was very different. We focussed on direct to customer and digital marketing."

SHOBHIT AGARWAL, CEO, NOVA IVF

NISHANT RATNAKAR FOR FORBES INDIA



Vishal Bali, executive chairman, Asia Healthcare Holdings, says the investment platform is a long-term, perpetual play

he set up Medwell Ventures, which runs Nightingales, a home health care services company across four large metros. By 2017, he also became the executive chairman of Asia Healthcare Holdings.

"When I joined TPG Growth,

we contemplated a whole bunch of ideas and one was obviously the direct investments that it was making in various healthcare enterprises," Bali says. TPG Capital, another fund owned by TPG, has significant investment in Manipal Hospitals,

which had made attempts in the past to acquire Fortis Hospitals and the Gurugram headquartered-Medanta. TPG Growth also has an 8 percent stake in PharmEasy, which had recently acquired diagnostics chain Thyrocare.

"The other thought process was, why don't we look at single specialties," Bali says. "When we looked at the universe of single-specialty businesses that existed in India, at that time, we saw nothing of the scale, which would be measured up to the kind of investment that we wanted to make in that space."

That is when the company decided to build a business of its own. "If there is no scaled up asset in business, then why don't we create businesses, which, from a very early stage, are on this platform, and grow them over a period of time, which was absolutely antithesis to what we will do in our private equity world of taking minority control and scale-up businesses," Bali explains. "So here, it was majority control and very early-stage companies in the single-specialty space, and then grow them over a period. And I think that was an idea which never existed in this part of the world at all."

In May 2016, AHH bought a majority stake (68 percent) in Cancer Treatment Services International (CTSI), which operated a single 250-bed hospital in Hyderabad under the AOI brand. CTSI operated the American Oncology Institute in Hyderabad and 10 multidisciplinary cancer centres across the Indian subcontinent, a US-based Oncology Solutions division that provides cancer care professional services to health care providers worldwide, and AmPath, an integrated reference laboratory and pathology services provider in India.

AHH also inducted a new management team including the onboarding of a new CEO and other executives. All that meant revenues grew from \$10 million in 2016 to

\$40 million in 2019, at 58 percent.

"The AHH mantra is to grow entities, make them scalable and sustainable," Bali says. By 2019, the company sold CTSI to New York-based Varian Medical Systems for \$283 million (₹1,972 crore). In the meantime, the company grew from one centre in Hyderabad to 11 across the country, with six more in the pipeline. "It was a big exit for TPG," Bali explains. "It was India's most valuable exit of 2019. It actually raised a lot of eyebrows in the country that within a couple of years, one can see a return like this in the single specialty space."

Around the same time, the company also took majority control of Bengaluru-based Rhea Healthcare with an investment of \$33 million. Rhea was then operating three mother and childcare hospitals under the brand 'Motherhood' in Bengaluru, Chennai, and Hyderabad.

"When you look at the timeframe from 2014 to 2017, there were a few of these mother and child centres that came out, including enterprises like Cloudnine and Apollo Cradle," Bali says. "And their concentration was largely around one product or service, which was birthing. We felt that there was an opportunity to do something very different in this space"

It helped that Mohammed Rehan Sayeed, the founder of Motherhood, was also looking at a sale, as the business had been struggling to make money. "One day I was having a chat with him," Bali says. "And he said, I think I am done over here. If you guys are interested, why don't you just take over this company." Motherhood had three centres in Bengaluru then, of which two were operational. It also had centres in Chennai and Hyderabad. At that time, the company had an annual revenue of \$5 million.

Bali and the team, however, took control of the three centres in Bengaluru since the business was fairly new to them. Today, the number of Motherhood hospitals has grown

to 12 from three. The company is currently in the process of building eight more centres across the country.

"The first task was to go and carve out a clear differential position for ourselves, by becoming a very comprehensive women and children's health care provider and not a birthing centre," says Vijayarathna Venkatraman, the CEO of Motherhood, who joined the company soon after AHH's acquisition. "On the back of that, we had to go and do a lot of internal transformation of the organisation, starting from bringing in clinical talent. We had a couple of IVF programmes in our network, and we turned it around. We also brought in a fair amount of technology inside the system, which was otherwise considered to be a domain of probably a large hospital." In addition, the hospital also diversified the services

including neonatology and pediatrics.

With Motherhood slowly transforming itself, Bali and the team also set out to acquire the then loss-making Nova IVF Fertility for \$100 million. It was India's second-largest network of IVF centres running 19 outlets in 15 cities. Goldman Sachs was an investor in the company.

"Every fund looked at it, and everybody passed on that opportunity because people said turning around the ship is a very difficult task," Bali says. "And we don't want to invest money in it." Bali, who has a penchant for taking on stressed assets and turning them around, however, sensed a massive opportunity. "It was massively challenging, particularly when some of the biggest funds looked at it and passed on the opportunity. We said there is something which is right inside this company with its entire clinical domain and knowledge. The scale already there required a very different execution," Bali says.

Since then, the company has grown to 50 centers. "All that I know is about running health care," Bali explains. "So, when I look at many of these enterprises, it is easy sometimes to see where the gaps are, and what you need to do behind the enterprise." India's mother and child health care industry is worth some \$5 billion, according to Bali, which is a massive opportunity to tap. The IVF business is currently worth \$1 billion and is expected to grow.

"Nova's business was over-managed, and the focus was very different," says Shobhit Agarwal, the CEO of Nova IVF. "We had to focus on minimising the number of people. This company was also a bit dependent or driven by doctor referrals. We focussed on direct to customer and digital marketing." All this meant that over the past few months, the IVF business has been growing steadily. The arm currently does more than 1,200 IVF cycles a month, helping over 40,000 pregnancies so far.

"So, from a total addressable

AHH's India Journey

APRIL 2016: Acquired Cancer Treatment Services International (CTSI) for **\$38 million**. CTSI has one oncology Hospital in Hyderabad along with AmPath Pathology Diagnostics

JULY: AHH acquires Rhea Healthcare that owns the Motherhood chain of Hospitals. Motherhood has three hospitals in Bengaluru, providing only birthing services

2019: CTSI Oncology Hospital Chain grows to 11 hospitals across India & South Asia with 6 under execution. **Revenues grow to \$40 million**

MAY 2019: CTSI sold to California-headquartered Varian for \$283 million; AHH acquires Nova IVF Fertility for \$100 million

MARCH 2021: Motherhood's revenues grow to **\$40 million**. Nova IVF revenues grow to **\$39 million**



market perspective, there was a big opportunity," Bali says. In all, AHH has invested about \$200 million in its India business so far, and together, the IVF and Motherhood business brings in annual revenue of over ₹800 crore.

GOING FORWARD

With two strong brands under its portfolio, Bali and AHH are looking at newer avenues. That includes ophthalmology, nephrology, and gastroenterology, among others.

At the same time, however, the company also sees further scope for growth within its two businesses. "Affordability, the growing middle class, increased infertility issues and acceptability are helping the fertility market," explains Agarwal. "We know this industry is growing exponentially, by 20 percent Compound Annual Growth Rate (CAGR), even today. In India, we do around 250,000 cycles and this is going to grow to around 500,000 cycles by 2025."

That is why despite the pandemic, Nova has been ramping up its facilities and intends to grow to 55 centres by the end of the year from 37 currently. Then, there is the push towards Tier 2 and Tier 3 towns, particularly when it comes to the IVF business, propelling its third phase of growth. "We are going to cities like Gorakhpur, Allahabad, Varanasi and Vijayawada," adds Agarwal.

The group has also made it a habit of building facilities ground up, instead of acquiring existing facilities, as it chases fast growth. "In the process, we have also been able to evaluate various geographies," Venkatraman says. "We have expanded our presence to some of the Tier 2 cities, including Indore and Coimbatore. We took a little time to study because it was very important for us to understand." Much of that, Venkatraman says, was because the management had all come from a multi-specialty hospital background. "There is a huge difference the way you approach the

AHH's India Business
MOTHERHOOD HOSPITALS

12
 hospitals pan-India across
 8 cities, with **8 new hospitals**
 under execution



NOVA IVF
36
 centres across 24 cities. Plans to
 ramp up to 50 centres by 2022

whole subject," Venkatraman says.

Despite all its attention on single-specialty hospitals, AHH also reckons there is significant scope for multi-specialty hospitals to grow. "The multi-specialty players are getting bigger and stronger, and they are now going deeper in the markets. So, I think we will see more consolidation in that play," adds Bali. "Ultimately, health care provision in this country is being led by private health care. And much of the private sector is enabled by private equity funding, which is firing the growth of the private health care delivery system."

Hospitals in India account for over 80 percent of the total health care market, according to the government's premier think tank Niti Aayog. The hospital industry was valued at \$61.79 billion in 2016-17 and is expected to reach \$132 billion by 2023, with a CAGR of between 16 and 17 percent. Around 65 percent

of hospital beds in India cater to almost 50 percent of the population concentrated in Uttar Pradesh, Maharashtra, Karnataka, Tamil Nadu, Telangana, West Bengal, and Kerala.

India currently has 1.4 hospital beds per 1,000 population. There is also a shortage of skilled health workers, with 0.65 physicians per 1,000 people and 1.3 nurses per 1,000 people. India also requires an additional 3 million beds to achieve the target of 3 beds per 1,000 people by 2025.

For Bali, however, the attention continues to be on single-specialty hospitals. "I think the whole single-specialty play was largely ignored for very long," says Bali. "But there is also an evolution happening around. What has happened over a period of time is many of these guys started with that single-specialty approach and ended up becoming a multi-specialty. It takes a lot of rigour and conviction to stay focussed on what you are doing."

Then there is the financial advantage, particularly in the cost of deploying capital, which works out much cheaper in single-specialty hospitals. "Motherhood builds its hospitals in about ₹25-30 crore. But what can you get in ₹30 crore in a multi-specialty?" Bali asks. "You are spending almost ₹1.2 crore to ₹1.3 crore a bed today. For a 200-bed hospital, it will cost you a minimum of ₹250 crore. In that context, this is far more capital efficient, not only from an establishment perspective but also from an op-ex perspective. You can get to the mid-teens Ebitda margins; you can get to the 20 percent Ebitda margin as the IVF businesses are showing right now."

So where does AHH go from here now? "I think, AHH will remain perpetually," Bali says. "The life that we have given to this platform is not for a couple of years. AHH is a long-term, perpetual play. People like me will come in and probably go. But I think at the platform level, AHH will continue." ◉

(From left) Groww co-founders Neeraj Singh, Harsh Jain, Lalit Keshre and Ishan Bansal



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Ready, Steady, Groww

How four former Flipsters flipped the traditional investment logic and entered the unicorn club with their online investment platform. Can they keep growing?

By RAJIV SINGH



“We are focussed on democratising investing, and making it accessible to millions in an easy, fast and transparent way.”

LALIT KESHRE,
CO-FOUNDER AND CEO, GROWW

investments are subject to market risks. Please read all scheme-related documents carefully”—suddenly switched gears to supersonic speed. “I could never figure out whatever mumbo jumbo they puked in the end,” she laughs. One word, though, stood out clearly: Risk. “I couldn’t understand and stayed away initially,” says the 27-year-old from Bengaluru. “I thought it’s risky.”

A year later, in May 2017, Lalit Keshre very well knew the risks involved. He, along with his three friends from Flipkart—Harsh Jain, Neeraj Singh and Ishan Bansal—rolled out Groww, a direct MF distribution platform. The four Flipsters—former Flipkart executives—were trying to take a stab at simplifying the process of buying financial products in India, which was largely slow, complex and opaque.

The biggest risk, though, still remained: Subdued consumer appetite. Less than 3 percent of the population invests in equities in a country that has an estimated investible income population of over 200 million. What was also hampering efforts in getting people to come online to buy MF was a lack of credible options. Keshre explains: While the intent to shift from traditional assets to financial assets was strong, there wasn’t a single platform that ticked all

the right boxes. The risk, and the fear, was inhibiting people from taking the investment plunge.

The IIT Bombay alumnus knew a bit about the risk factor, and how to flip it into an opportunity. Keshre, who folded his first edtech venture Eduflix in mid-2013 after running it for close to two-and-a-half years as it failed to scale fast enough, positioned Groww as an online platform that made investments easy, fast and transparent for the do-it-yourself generation. The Flipkart experience, too, came handy in designing the product and experience. “We had seen how technology and high customer centricity disrupted the ecommerce industry,” he recalls, adding that such levers were missing in the investing

Funding road to unicorn

APRIL 2021

\$83 million in series D round led by Tiger Global; turns unicorn



SEPTEMBER 2020

\$30 million in series C round led by YC Continuity

SEPTEMBER 2019

\$21.4 million in series B round led by Ribbit Capital



JANUARY 2019

\$6.2 million in series A round led by Sequoia India

JULY 2018

\$1.6 million in pre-series A led by Insignia Venture Partners, Lightbridge Partners and Kairos fund



JANUARY 2018

Undisclosed seed funding from CureFit founders
Mukesh Bansal and Ankit Nagori along with Y Combinator



In 2016, when Sonia Chauhan was exploring investment options in mutual funds (MF), the young fashion designer got intrigued by two things. First, companies were bombarding the viewers with all kinds of MF commercials on television. Second, the ‘disclaimer’ given at the end of advertisements —“mutual fund

space. There are only an estimated 25 million people in India who invest in stocks or MF. The only way to add more, he underlines, is by making investing simple. "This is exactly what Groww does," says Keshre.

The move seems to have paid off. Groww has galloped at a staggering pace on two fronts. First is the speed and amount of funding. While the undisclosed seed round took place in January 2018 and was led by CureFit founders Mukesh Bansal and Ankit Nagori, along with Y Combinator, the next one—pre-series A of \$1.1 million—took place in six months. The following year again there were two quick rounds. Series A of \$6.2 million in January 2019, and series B of \$21.4 million in September. The pandemic year—2020—saw just one round of \$30 million in September, and then came the unicorn round this April. An \$83 million series D round led by Tiger Global pole-vaulted Groww into the unicorn stable.

What started as a platform for MF in 2017 has now morphed into an online investment platform offering a wide range of options such as stocks, IPOs, ETF, gold, NFO, futures and options, fixed deposits and US equities. What has also grown at lightning speed is the user base. Groww has more than 1.5 crore registered users across 900



"The headroom for growth is massive as a small fraction of investors buy mutual funds and equities online."

SHIVATHILAK TALLAM,
SENIOR INVESTMENT ASSOCIATE,
UNITUS VENTURES

cities, claims Keshre. The fintech startup offers zero-commission investing in direct MF and claims to have one of the lowest brokerage charges for stock investing. The startup, Keshre adds, has just started

to grow. "We are firmly focussed on our mission to democratise investing in India," he underlines.

Backers, meanwhile, are bullish about the growth prospects of Groww. A lot has to do with the massive headroom for growth that the country offers.

Ashish Agrawal, managing director at Sequoia India, explains the reasons. First, Indians save about 30 percent of their disposable income, with annual savings totaling over \$450 billion, he wrote in a blog after leading the series A round of investment in Groww in January 2019. Much of the savings, he says, has been invested in physical assets such as real estate or gold, in low-yielding bank fixed deposits or, even worse, kept as cash, where savings are eaten away by deflation.

While financial markets globally have offered the most efficient ways for middle-class investors to compound their savings over the decades, in India, retail investors shied away in the past. "Retail investor participation in Indian equities is less than 3 percent today," he underlined. Compare this with US (around 55 percent) and China (around 7 percent). "The founding team's product DNA and laser-like focus on serving the millennial investor stood out for us," he mentioned, justifying the move to back Groww.

What has also helped Groww hit a high-growth trajectory is the financial rise of the middle class. "The growth in size and earnings of the middle class has created a larger investor base," says Agrawal, adding that the attractiveness of traditional asset classes has declined. Add to this the efforts made by Sebi in driving growth of new investors and reduce commissions and expense ratios for investment products, and you get more growth tailwinds.

"As a consequence, MF SIPs [systematic investment plans] have replaced fixed deposits as the preferred investments for first-time investors. In 2019, only 18 percent

Name & game

Groww was co-founded by **Lalit Keshre, Harsh Jain, Neeraj Singh and Ishan Bansal** in May 2017

Has raised **\$141.8 million** from backers such as Tiger Global, Sequoia Capital, Ribbit Capital, YC Continuity and Propel Venture Partners

Online investment platform started with mutual funds, and now offers a wide range of investment options such as **stocks, IPOs, ETF, gold, NFO, US equities** etc

Among top direct mutual fund distribution platforms; Claims to be opening **over 2.5 lakh new SIPs every month**

Has opened more than **20 lakh demat accounts** since last June

Claims to have **over 1.5 crore registered users across 900+ cities**

Users under-30 constitute two-thirds of the investor base; GenZ (18-24 years) make up 30%, while millennials (25-30 years) constitute 35%

40% of users are from metros; rest come from tier 2 cities and beyond

In May, Groww acquired **Indiabulls Asset Management Company**



of Indian publicly traded companies were owned by retail investors. The comparative numbers for the US and China were at 40 percent and 75 percent, respectively. "Efficient 'pipes', such as the one Groww is building, will help channel household savings into a wider suite of asset classes," he contends.

Analysts are not surprised with Groww's pace of growth. One big reason, they reckon, is the way the startup disrupted the segment. Most investment platforms were either too expensive because of high commissions or were offline agent-driven models. Even the ones with some online presence had clunky user interfaces, which were not suited for the smartphone generation. Groww plugged the gaps.

"Groww has grown at an astonishing pace," says Shivathilak Tallam, senior investment associate at Unitus Ventures. Scaling from offering services over WhatsApp to becoming a unicorn, the startup has jumped up the ladder by providing access to zero-commission MF, tapping a large and underserved middle-income segment. The young, working-class segment needs access to savings and could not afford investing in real estate or do not see the returns as adequate. Groww, Tallam stresses, has enabled access to the common investible financial products under one roof for the Indian retail investor. "It has done a fantastic job of getting this large user base of young people who will be the next generation of wealth creators," he says.

Groww, though, has just scratched the surface. The headroom for growth is massive. Still, a tiny fraction of the population buys MF and equities online.

According to estimates, 95 percent of Indian wealth is in physical assets and a lot of it will move to financial assets in the future. This means a stronger demand for equity. As every economy evolves, savings move from physical assets to financial

assets. "This is now happening in India as well," Tallam explains. Groww, he points out, has built a large user base, especially from tier 2 cities and beyond, and now the challenge would be to see how well it can monetise the user base by catering to all their financial needs.

Back in Bengaluru, Keshre has hit the growth highway and is driving at a furious pace. In May this year, the unicorn bought the MF business of Indiabulls Housing Finance—Indiabulls Asset Management Company—for ₹175 crore.

What next? For Keshre, the biggest challenge is to grow

responsibly and keep creating value for all stakeholders. "As we keep growing bigger, the responsibility keeps growing bigger and bigger," he says. The unicorn tag, he adds, doesn't excite him. "Nothing much has changed. We are still working the way we used to before becoming a unicorn," he smiles.

What, though, is changing in India is the birth of a new set of unicorn founders with more risk appetite. Such startups are buying much older and established players. Take, for instance, Byju's buying Aakash, PharmEasy acquiring Thyrocare, or Groww snapping up Indiabulls Asset Management Company.

"Most of them who became unicorns in 2021 have done so much faster than the ones that came before them," says GV Ravishankar, managing director at Sequoia India. Though a buoyant market with surplus cash has also played a role, he underlines that markets decide valuations.

"In a buoyant market, more companies will benefit from rich valuations," he says. Though he is quick to add a rider. Companies, he says, don't become unicorns without exhibiting leadership in their segment or through scale or growth.

The new unicorn founders are more ambitious and are supported by more capital to build enduring companies. While conceding that some companies will fail in their journey, the venture capitalist maintains that entrepreneurship is inherently risky. "But without that risk, there will be no greatness either," he says.

Groww's success in the long run will depend on how smartly it keeps flipping risks into opportunities, and charts a sustainable growth plan. The most crucial thing to remember is the risks involved. Keshre contends he knows his cards. "When one invests in stocks, one needs to be aware about the risks involved," he flashes a growing smile. **E**

Meet the four from the Flipkart gang

Lalit Keshre, co-founder and CEO

Was in a senior role with product management team at Flipkart. Launched Flipkart Quick to enable last-mile deliveries. IIT Bombay alumnus, co-founded online learning firm Eduflix in 2011



Harsh Jain, co-founder and chief operating officer

Was part of the product management team at Flipkart. An IIT Delhi alumnus, Jain pursued MBA in product management and marketing from UCLA School of Management



Neeraj Singh, co-founder and chief technology officer

Was part of Flipkart's engineering team. Developed Flipkart's customer returns and refund system. Holds a BE in Information Technology from ITM, Gwalior



Ishan Bansal, co-founder and chief financial officer

Was part of Flipkart's corporate development team. Had a stint with Naspers and handled corporate development and mergers and acquisitions



Jet, Set, Debt

By RAJIV SINGH

InnoVen, India's biggest venture debt fund, has enabled unicorn founders to strike a delicate balance between less dilution and more growth



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In 2017, when Ashish Sharma was taking fresh guard, the financial market veteran found something weird about the startup pitch on which he was about to play his new innings. The track looked dry and it did not have blades of grass. After spending two decades with GE Capital, where he was president and chief executive officer (CEO) for a good three years between 2014 and 2017, Sharma joined venture debt fund InnoVen Capital as the CEO. As an outsider venturing into the startup world, he had one big comfort factor. His previous company and the new one, both had the word 'Capital' in their names. The similarities, however, ended right there.

The game at InnoVen was insanely different. Sharma explains. At GE

"Venture debt is like the Rahul Dravid-style of batting, a lot of singles and the occasional boundaries."

ASHISH SHARMA
CEO, INNOVEN CAPITAL INDIA

Capital, there were thousands of people reporting to the CEO and the lending business was growing at a brisk pace. The 'push and pull' worked brilliantly as the lender and the borrower understood the need, and the rules of the game. GE Capital, as a brand name, was massive. Familiarity and credibility worked like a flywheel.

At InnoVen, in 2017, Sharma struggled to make founders aware of the need to raise venture debt. Four years ago, India was in the thick of intense funding activity, and founders loved venture capital (VC) for two reasons. First, it brought instant money for growth. Second, they had mentors on board to counsel them.

"Why should I raise venture debt when I have venture capital," was one of the bouncers bowled at Sharma. The bowlers happened to entrepreneurs who had raised loads of venture capital and were on track to becoming a unicorn, being valued at \$1 billion-plus (over ₹7,500 crore). For most of them, debt happened to be a dirty word. "What if I do not pay back on time? Would you guys take over my business?" asked one of founders of a soonicorn startup.

Sharma knew ducking the ball was not an option. Though startup founders knew InnoVen, they were hesitant about taking the leap of faith. There were many queries, apprehensions and misconceptions around debt. Sharma went on to the back foot, only to convincingly hook each query out of the park. "Why do Tatas and Birlas have debt on their book," he asked a startup co-founder in 2017. "Do you think they cannot raise equity," he underlined. The second counter-argument packed more punch. Quick capital, low rate of interest, and almost negligible dilution of equity. "It is not why you need venture debt, it is why not have it," he told them.

Almost at the same time, a bunch of seasoned entrepreneurs—most into their second venture—had learnt a valuable lesson the hard way: One must not dilute too much in one's startup. Ashish Damera, co-founder of edtech startup Eruditus, which turned unicorn in August this year, explains the flip side of raising too much capital. "As a second-time entrepreneur, I have had a lot more to deliberate about how much equity to raise and when, as this impacts dilution," he says. In July 2018, Damera reportedly raised venture debt of ₹19 crore from InnoVen Capital. Till then, Eruditus had raised a paltry \$8 million (₹60 crore) in Series B in 2017, and was valued at \$50 million (₹360 crore).

Venture debt turned out to be a tailwind for Damera. "It extended the runway before going for an equity fundraise," he recalls. It also gave, he explains, more time to hit higher milestones and get better financing outcomes. In August, when Eruditus turned unicorn, the co-founders still had 40 percent stake in the company. "InnoVen has been a great partner, and together we have done many transactions over the years," he says. The familiarity helped in moving fast whenever there is an urgent need. For example, earlier

InnoVen in Numbers



How Growth Has Gathered Pace Post-2017



this year, when Eruditus needed some liquidity cushion to move quickly on an acquisition, InnoVen pumped in \$20 million (₹150 crore).

Eruditus is not the only unicorn to add InnoVen's debt to its growth story. There are more like edtech startup Byju's, hotel chain Oyo, local language news aggregator Dailyhunt and online freight aggregator BlackBuck (see box) who have raised venture debt from the oldest and biggest venture debt player in India. "Overall, we have 18 unicorns in our portfolio. In fact, nine became unicorns this year," says Sharma, who loves Virender Sehwag's style of batting.

The CEO, however, explains why Sehwag's aggressive and hard-hitting style is not suited for venture debt. The not-so-glamorous cousin of venture capital, Sharma underlines, needs loads of patience. Venture debt, Sharma stresses, is more akin to Rahul Dravid's style of batting, which involves a lot of singles and the occasional boundaries.

What 'quick singles' means is taking money, returning it with interest and then taking more money. "What venture [debt] brings to the table is a lesser diluted way of financing business," Sharma points out, adding a quick disclaimer. "Frankly, we do not substitute equity," he says. For any startup that needs to raise venture debt, he explains, the pre-requisite is a previous round of venture capital. "We do not give money to companies that have not raised equity."

For those who think that venture debt fund means zero equity in the



"As a second-time entrepreneur, I have been a lot more deliberate about how much equity to raise and when."

ASHWIN DAMERA
CO-FOUNDER, ERUDITUS

startups, there is a surprise. Tarana Lalwani, senior director at InnoVen Capital, explains that venture debt deals are structured to include a small equity component (typically 10-12 percent of the loan amount), which gives the lender the right to invest in the company and generate additional returns on a portfolio basis.

Meanwhile, unicorns, soonicorns and all kinds of startups do not mind an equity kicker and adding debt. Reasons include less dilution, additional capital to grow faster, ability to extend runway, and hitting milestones before raising the next round of capital at a much higher valuation. The use cases can be working capital, growth investments, capital expenditure, acquisitions, contingency fund; tenure to repay is between 2 and 3 years, and interest rate varies between 14-15 percent.

Venture debt traces its origin to 1970s in the US, when startups in the Silicon Valley needed financing for equipment, computers, hardware but could not get bank loans as they did not fit the traditional lending criteria. Most of them did not have a track record, were loss-making, lacked predictable cash flows to service the debt and could not offer the type of collateral banks preferred, explains Sharma. Specialised finance players saw the opportunity and started offering equipment loans and leases to them. Over time, this evolved into a full-fledged venture debt industry.

In India, Virendra Gupta, founder

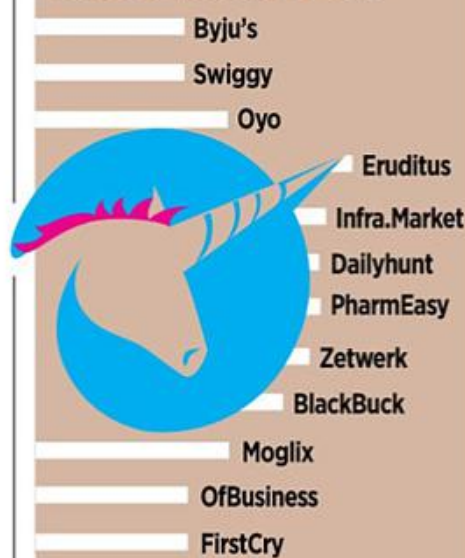


"We have also taken venture debt to maintain our growth momentum while creating some contingency."

VIRENDRA GUPTA

FOUNDER, VERSE, PARENT COMPANY OF DAILYHUNT AND JOSH

Unicorns That Have Raised Venture Debt



of VerSe Innovation, the parent company of Dailyhunt and Josh, took to venture debt for growth. According to him, a business like his requires a lot of investments to build infrastructure capabilities and to attract new users. In addition to raising equity capital every 12-18 months, the company took venture debt. "InnoVen was our first

institutional debt investor, and over the years, the teams have executed several transactions," he says. They understand our business and are able to move fast, whenever we needed additional debt capital, Gupta explains.

InnoVen has grown at a brisk pace: Over ₹900 crore was disbursed over the last nine months. Compare this to ₹650 crore between FY17 and FY20 and ₹300 crore from FY15 to FY17. "We are seeing higher level of demand for venture debt over the last year as most startups have enjoyed tailwinds after Covid-19 and [are] focusing on growth," says Sameer Mansukhani, senior director at InnoVen Capital.

For Aman Gupta, co-founder of consumer electronics brand boAt, the biggest positive of going into 'debt' was staying away from the valuation game. Nowadays, he says, entrepreneurs become more focussed on valuations rather than preserving equity, and thereby dilute more than required. "We value our equity and care about doing the right things than just playing the valuation game," he says, adding that the startup raised ₹16 crore from InnoVen in 2019. This January, boAt raised \$100 million (₹700 crore) from private equity firm Warburg Pincus at a valuation of ₹2,000 crore, and the co-founders still have over 51 percent stake in the company. "More stake means deeper skin in the game," he says.

Sharma reckons that though venture debt has been galloping over two years, it is still early days. "While VCs play like Sehwag, we need to keep batting like Dravid," he smiles. **F**



"We value our equity and would care more about doing the right thing for the business than just playing the valuation game."

AMAN GUPTA
CO-FOUNDER, BOAT

Cleaning up the Mess

Hyderabad-based Recykal is solving India's growing trash problem by using digital technology to connect waste generators, processors and recyclers

By VARSHA MEGHANI



(From left) Co-founder Vikram Prabakar, founder Abhay Deshpande, and co-founders Abhishek Deshpande, Anirudha Jalan and Ekta Narain want to channelise 3 million metric tonnes of waste through Recykal's system by 2025

After he sold his second startup, a software-as-a-service (SaaS) called MartJack that helped brick-and-mortar retailers go online, to Singapore-based Capillary

Technologies for an undisclosed sum in 2015—believed to be one of the largest SaaS transactions in Southeast Asia at the time—Abhay Deshpande could have chosen the good life. Settle down in a plush apartment, invest in a few startups

and enjoy his hard-earned money. Instead, he chose the opposite: He deep-dived into what he calls “*kachre ka kaam*” or the business of trash.

“After leaving Capillary in December 2016, we spent the first two years going to the *kabadiwalas*’

[junk or scrap dealer] and ragpickers' houses to see what they do the whole day. Unless you go that deep, you will never understand their problems. We call it a Harvard diploma in waste management," laughs Deshpande over a Zoom call. Bespectacled, moustached and middle-aged, he is far from the slick, jeans-and-tee, new-age entrepreneur. Instead, he comes across as a seasoned player who has been knocked around a few times.

Deshpande had no experience in waste management prior to plunging into the space, but went by "gut feel". He wanted a large problem to solve for and trash checked that criterion: India generates 62 million tonnes of solid waste every year, according to a 2016 report by the Press Information Bureau. Rapid urbanisation, population growth and economic development will see this figure nearly triple of 165 million tonnes by 2030, and a staggering 450 million tonnes by 2045.

Currently, of the 62 million tonnes, about 43 million tonnes (70 percent) is collected. And of this, only 12 million tonnes is treated, while the remaining 31 million tonnes ends up in landfills and oceans.

The entire waste management industry in India, defined as the collection, transportation and disposal of garbage, sewage and other waste products, is worth \$100 billion, says Deshpande. It is cash-driven, largely informal and fragmented with multiple middlemen.

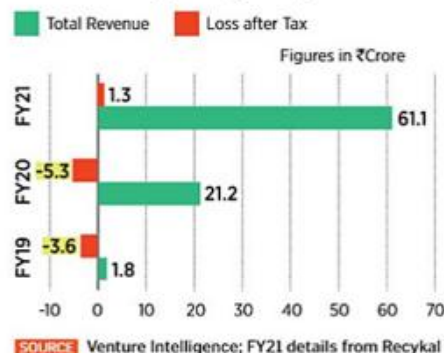
"Waste management or w-commerce is 5x bigger than e-commerce and 10x bigger than m-commerce. India's 1.3 billion people consume products and generate waste every single day. Waste never stops [getting generated]. It is a pandemic-free, recession-free business," he says.

The fact that nobody focussed on the post-consumption market up until then provided further impetus to Deshpande. "Until 2016, India had seen lot of disruption in the pre-consumption and consumption

market—Flipkart, Ola, Oyo, Zomato, Swiggy, MakeMyTrip etc. But nobody was focusing on post-consumption, that is waste. But, actually, there is nothing called waste because it is raw material for somebody else." So in early 2017, along with co-founders Abhishek Deshpande (Abhay's cousin), Anirudha Jalan, Ekta Narain and Vikram Prabakar, Deshpande went headlong into waste management.

While the team spent time on the ground with local ragpickers, *kabadiwalas* and small-time recyclers in Hyderabad, where the company is now headquartered, they simultaneously built a consumer app called Uzed. The B2C service would

Financial Highlights of Rapidue Technologies Pvt Ltd (Recykal)



pick up consumers' trash from their homes, pay them for it and have it delivered to nearby *kabadiwalas* and recyclers. Within two years, half a million consumers across Hyderabad and Pune had downloaded the app and the team was fulfilling 1,000 orders per day. But every transaction was a loss-making one. "Reverse logistics is time-consuming. Every order took us 45 minutes to one hour to complete given that we had to count and weigh the waste. Ecommerce deliveries in comparison take a couple of minutes to complete—you just go and drop off the parcel. We knew this from the outset, but we needed an entry point into the system, and

this provided it," says Deshpande.

In 2019, the team shifted focus to the B2B segment. Bulk waste generators like large corporations could, with the click of a button on an app—called Recykal Marketplace—schedule a pick-up of waste material from their premises. The local *kabadiwala* gets notified, goes on the premises and weighs the material. He then inputs the data into the app and takes the waste to his collection centre. "We do not own these centres. We have merely tied up with local *kabadiwalas*, aggregators and recyclers, and pay them for their services. We provide the tech and logistics to enable waste to get properly disposed. We are like the Uber for Trash," says Deshpande. The corporate too gets paid via Recykal's system.

The local *kabadiwala* then sells the material to recyclers via the marketplace. Recykal has also onboarded small *kabadiwalas* on to the system who would previously sell to larger aggregators. Through the app, they can skip the middlemen and sell directly to recyclers, earning an extra 10 percent. More recently, local ragpickers have also been brought into the fray where they too can directly bring their wares to the collection centre and sell it. Monies are paid directly into their bank accounts. Without the middlemen, they are able to make 20 percent extra, plus they become bankable in case they want to take a loan in the future. "It's a win-win situation for every stakeholder in the value chain," says Abhishek.

With growing concerns around ESG and sustainability goals, Recykal counts companies like Unilever, Coke, Pepsi, Infosys and Pidilite among its clients who can trace how their waste—which would otherwise end up in a landfill or ocean—is being disposed through the app. Recykal makes a marketplace fee for its services.

While the launch of Prime Minister Narendra Modi's Swachh Bharat

Mission in 2014 acted as a catalyst for Recykal's business, creating awareness about waste disposal, says Abhishek, the real "game changer" was the Extended Producer Responsibility (EPR) regulation that the government mandated in 2017. Under EPR, a manufacturer must assume the cost of disposing its product after consumers are done using them. So if a potato chips maker uses 100 metric tonnes of plastic for packaging its wares, it must buy back 100 metric tonnes of plastic and dispose it off properly. The chips maker need not buy back the exact same packages its consumers used, but an equivalent quality and quantity of plastics.

In response, Recykal created EPR Loop—an app—which is today used by 100-plus brands to fulfil their EPR obligations. Take the case of Mars Incorporated, one of the leading manufacturers of dog and cat food. When the EPR rules came out, it was looking for a suitable partner to help ensure compliance and initially started working with a local waste management company in Hyderabad. "[But] we needed national presence and high technical capabilities to track our waste collection efforts and ensure precision in reporting to the Pollution Control Board. Recykal has built a user-friendly, easy-to-navigate tool. By using it, we are able to track the complete journey of our plastic waste from source to cement processing units, where it is upcycled and used for energy generation. This kind of transparency and traceability are important for a responsible organisation like Mars," says Vasudha Jha, corporate affairs director, Mars Petcare India.

The EPR regulation, currently applicable to plastics and e-waste, has brought 20,000 companies across India into its fold and brought around \$8 billion in 2020 into the space; that is expected to increase by 20 percent year-on-year. Besides, it has helped formalise the sector, which was otherwise

fragmented, opaque and lacked traceability. "What demonetisation was to fintech companies, EPR was to the waste management companies," says Deshpande.

Today Recykal's reach for waste collection and channelisation includes 1,000-plus businesses, 500 aggregators and waste management companies, over 150 recyclers, 1,000-odd *kabadiwallas*, 800-1000 ragpickers and 30 municipalities across 36 states and Union Territories. "Each stakeholder in the value chain has a different personality, different set of problems and different requirements. Revenues of the incorporated entity, Rapidue

Technologies, shot up from ₹1.8 crore in FY19 to ₹21.2 crore in FY20. Losses went up marginally from ₹3.6 crore in FY19 to ₹5.3 crore in FY20.

Earlier everyone used to tell us, '*Kachre mein kaun internet la sakta hai?*' It took us 2-3 years to win the stakeholders' trust, but we have now found the right formula that brings value to each of them," says Deshpande.

Investors concur: "Recykal is a forward-thinking, amazing startup that is focussed on solving the teething issues in the space through cutting-edge technology. The team has expertise in solving practical problems and connecting various stakeholders in the value chain," says Akash Singh, investment manager at Circulate Capital, a Singapore-based investment management firm that invested an undisclosed sum in Recykal in December 2020.

Prior to that, Recykal raised \$2million in a Pre-Series A round in June 2019 led by Triton and Ajay Parekh, brother of Pidilite Chairman Madhukar Parekh. "Abhay is a seasoned entrepreneur who has been through a cycle of successfully growing and selling a business. He has built an innovative, scalable business model with Recykal that not only delivers social impact but also financial returns," says Ajay Parekh, director, Pidilite.

Last year, Recykal channelised 86,000 metric tonnes of waste through its system. At present, the company is channelising 20,000 metric tonnes per month and is targeting a total of 300,000 metric tonnes of plastic and 40,000 metric tonnes of e-waste this year. "The vision is to do 3 million metric tonnes by 2025. That is approximately 10-15 percent of India's waste that will flow through our system rather than end up in a landfill or ocean. Ten more companies like ours can exist in the space. It is that big a market. It is not about building an app, it is about building an ecosystem." ■

Recykal Fact Box

Established: 2016



Founder
Abhay Deshpande

Co-founders



Abhishek
Deshpande



Anirudha
Jalan



Ekta Narain



Vikram
Prabakar

Opportunity

◆ India produces 62 million tonnes of waste every year, of which 43 million tonnes (70 percent) are collected. Of this, only 12 million tonnes are treated, and the remaining 31 million tonnes end up in landfills and oceans

◆ The size of India's waste management industry, primarily operated by the informal sector, is around \$100 billion

◆ Recykal is bringing together this fragmented industry by using technology to connect waste generators, processors and recyclers



Funding

June 2019: Pre-Series A investment of \$2 million raised from Triton, Pidilite Director Ajay Parekh and existing angel investor Vijay Acharya

December 2020: Undisclosed amount raised from Singapore-based investment management company Circulate Capital

Come, Dine With Me

Riyaaz Amlani wouldn't have imagined he would mark his 20-year milestone in the F&B industry by devising a playbook from scratch. But he's weathered the Covid storm through his delivery business, and looks set to grow again

By KATHAKALI CHANDA

On a hot weekday afternoon in March, the Carter Road outlet of Social is packed to its Covid-mandated capacity. Waiters shuttle briskly between the kitchen and the tables, while the clink and jingle of the cocktail-shaker gives away the beverage orders pouring in. As he surveys one of his most popular hangouts, you can tell that the ever-affable Riyaaz Amlani, CEO and MD of Impresario Handmade Restaurants, is beaming behind his mask. "We are back to 85 percent of our pre-Covid levels. I can feel a boom coming up," says the 46-year-old restaurateur, who runs 13 brands, including the likes of Social, Soufflé I S'il Vous Plaît, Slink & Bardot, Smoke House Deli and Ishaara. "Once the vaccines roll out, people will want to step out with a vengeance."

NEHA MITHBAWKAR FOR FORBES INDIA



Riyaaz Amlani, CEO and MD of Impresario Handmade Restaurants, has built his business on the soft skills of catching a trend early

This is where the redoubtable Mr Murphy must have had a quiet laugh, for, within days, cases began to surge, and a second, far more lethal Covid wave began to sweep the nation—patients mounted to lakhs daily, with a peak of 4 lakh-plus on May 6, and several States began to reel under a shortage of oxygen and hospital beds. In the middle of the unfolding calamity, restaurants were ordered to shut for a second time, and months of zero-income from dine-in returned.

We speak to Amlani again, this time over a Zoom call from Dubai, once the second wave ebbs. But medical circles are already abuzz with the possibility of a third wave, albeit less virulent, and the sword of subsequent lockdowns hang over a crippled F&B industry. However, Amlani sounds upbeat while speaking about his prospects. “The subsequent waves will peter out at some point. The future of the business remains bright because the urge to socialise is a permanent one,” he says. “Besides, while we don’t know when the third wave will come, we now have the playbook for business during shutdowns.”

In 2021, Amlani completed 20 years in the F&B business, having incorporated Impresario in 2001 and kickstarting his venture next year with Mocha, the ebullient coffee shop on Mumbai’s Churchgate Street, styled on Moroccan quahveh khannes. En route, he also created fine-dining restaurant Salt Water Grill, hangouts Salt Water Cafe and Smoke House Deli, and, in 2014, the ubiquitous Social that, by early 2020, clocked 26 outlets across six cities. Before the pandemic, Amlani’s company recorded a business growth at 25 percent CAGR, logged a revenue run rate of ₹480 crore, and had a network of 58 restaurants, cafes and bars across 16 cities. In March 2020, Covid flattened it like every other neighbourhood diner struggling to figure out where its next penny would come from.

“When Covid struck, we realised how lopsided our business was

A 20-Year Journey

2001 Riyaaz Amlani incorporates Impresario

2002 Kickstarts journey with the first outlet of **Mocha** on Mumbai’s Churchgate Street

2008 Expands beyond Mocha, opens **Salt Water Grill**; onboards Deepak Shahdarpuri of Beacon India as first external investor

2011 Mirah Hospitality invests ₹48 crore; **Smoke House Deli** opens in Delhi

2014 First **Social** opens at Church Street in Bengaluru

2017 L Catterton buys majority stake of 70 percent in company; **Slink & Bardot** launched

2019 Launch of **Soufflé I S’il Vous Plait** and **Ishaara**

2020 Starts own delivery platform for **direct delivery**

2021 Enters newer markets like Indore



towards dine-in. In those months, we turned our focus to delivery. We had been doing it earlier as well, but through aggregator platforms and our own fleet. With no income for months, we built delivery-only brands and focussed on developing a direct-to-customer tech interface that would save us the commissions we would have to pay the aggregator platforms,” says Amlani.

Since 2018, in Mumbai’s business district of Lower Parel, Amlani had already run the Flea Bazaar Cafe, a marketplace of sorts for lesser-known food brands, with Social as its centrepiece. While it shut in the early days of the pandemic, continuing with some of the brands through cloud kitchens seemed like the logical extension. In one-and-a-half years, Impresario has rolled out four delivery-only brands—Boss Burger, Hung-Li, Lucknowee and Goodness To Go, while three more—Del Italia, Tandoori Pizza and One Square Meal—are in the pipeline. During this

time, Amlani’s delivery business has grown by 220 percent, fetching him about ₹5 crore per month. He expects to double the number by the middle of calendar year 2022 to add ₹100-120 crore annually to the topline.

The rise of the delivery business as a growth lever has also made Amlani buoyant about the gradual return of business in FY22, expecting to close the fiscal somewhere around ₹350 crore, lower than the ₹480 crore that he had earlier predicted but an impressive figure given the battering the sector faced due to Covid. “The losses incurred in the first two quarters of FY21 were covered by the profits made in the second half of the financial year,” he says. “We were also profitable in the years preceding the pandemic: Right now, we average about 20 percent Ebitda at the store level, while about 11 percent at the corporate level.”

Since March 2020, the group has revamped three outlets and opened five more; four are in the pipeline in the next two months. Business since the second lockdown is also back at 50 percent of pre-Covid levels—while Delhi and Bengaluru have made a strong recovery already, Mumbai is still catching up due to the delayed opening in Maharashtra.

Impresario has also been amping up its own delivery channels that is bringing in 20 percent of its delivery business, thus eliminating expenses for the three Ds—discovery, discounting and delivery—through aggregators. “It might look like a small number, but we consider it a leap given that six months ago, this was zero,” he says. For every delivery done through the platforms, Amlani does a back-of-the-envelope calculation, about 20-25 percent goes for commissions, 10 percent towards discounting and 5 percent for discovery (making the brand more visible on the platform). “Through direct orders, we have been saving around 25 percent on our topline even if we offer the

customer the best price. It effectively triples our bottomline," he says.

What has seen Amlani not just through the pandemic, but also a 20-year rollercoaster in the thin-margin, risky F&B industry is his pliability and his ability to read situations well. He was entrepreneurially-wired since a kid—"I once got thrown out of school for trying to sell marbles to kids"—and started off at 16, selling shoes from a 100 sq ft shop in central Mumbai's Sion. He shut it after six years, almost as a knee-jerk reaction after haggling with a customer for an hour over a 50 paise discount. He went off to the US and returned with a degree in entertainment management.

While setting up a go-karting track for the Hiranandani Group in Powai, he noticed that irrespective of whether visitors rode the cars, everyone grabbed the stale sandwiches and the machine-made coffee at the F&B console. "It told me food is central to human interactions," he says.

In almost a Eureka moment, he gathered two of his friends (one of them, Kiran Salaskar, is part of the promoter group of Impresario) and started Mocha on the porch of Berry's, a restaurant his father used to run. Mocha began to serve 32 varieties of coffee, and sheesha, a novelty factor that drew diners in hordes. "We did so well that my father asked us to run the entire restaurant," he laughs.

Mocha, a 40-cover restaurant doing 300 covers in rotation, introduced Mumbai to the concept of all-day dining, a paradigm shift from lunch-and-dinner-only restaurants. "At that point, you could do that only at 5-stars or Udipi restaurants," says Amlani. But its average per cheque (APC) was low at ₹150 and, in 2008, when the then Mumbai mayor started a campaign against hookahs, Mocha began to lose its mojo. It was around the same time Amlani was offered a beachfront property in Chowpatty, but he figured that with the sun beating



"Too many people rush into opening new restaurants. Riyaaz has the 360-degree vision to create products that last."

AD SINGH, FOUNDER AND MANAGING DIRECTOR, OLIVE BAR & KITCHEN

down on the west-facing property during the day, he could only have a limited window in the evening to make hay. The only way to monetise the property would be through a fine-dining restaurant that would bring in high APCs. In 2008, Amlani onboarded his first external investor, Deepak Shahdarpuri, who then led Beacon India Private Equity Fund, to build Impresario beyond Mocha.

"I was introduced to Riyaaz by Rajeev Samant, the founder and CEO of Sula, who wanted me to meet some of the people who were shaping dining out in India," says Shahdarpuri, now the managing director of DSG Consumer Partners. "Back then, I was looking to back homegrown consumer brands over the long term. My style of investing wasn't so much about a brand but people who could feel the pulse of the consumers. Riyaaz had it down to a pat."

When he started, Amlani didn't

even have a name for the restaurant, later christened Salt Water Grill, but had meticulously planned what it would offer. The idea was to extricate fine dining from 5-star exclusivity and offer its classy service outside it. "Riyaaz was geeky about the service the restaurant would offer—right from the person who opens the door for you to the one who serves you," says Shahdarpuri.

But while Salt Water Grill offered an APC of ₹1,500, in its weekend-intensive, dinner-focussed business, it could barely afford one-fifth of the table rotation that Mocha could. To get around the "inefficient" template, he chiselled it down to a cafe version, Salt Water Cafe, and then, in 2011, launched another upmarket cafe-style product with Smoke House Deli.

At the cafes, Amlani noticed a lot of office-goers, who would pop in for meetings, but would linger on. "There was always a customer who wanted to work from the cafe. That spawned the idea for Social, a Mocha 2.0 if you may, where millennials wouldn't just hang out but also could work from," says Amlani.

When Amlani proposed the idea of Social to his board, which included Shahdarpuri, there was vehement opposition. "I told him it won't work," says Shahdarpuri. "He insisted this was a product that will survive for the next 10 years, and was one for the masses in new India."

The first Social was launched at Church Street in Bengaluru in 2014 and was a mammoth success. That it is Amlani's headline act is evident

Business Breakup



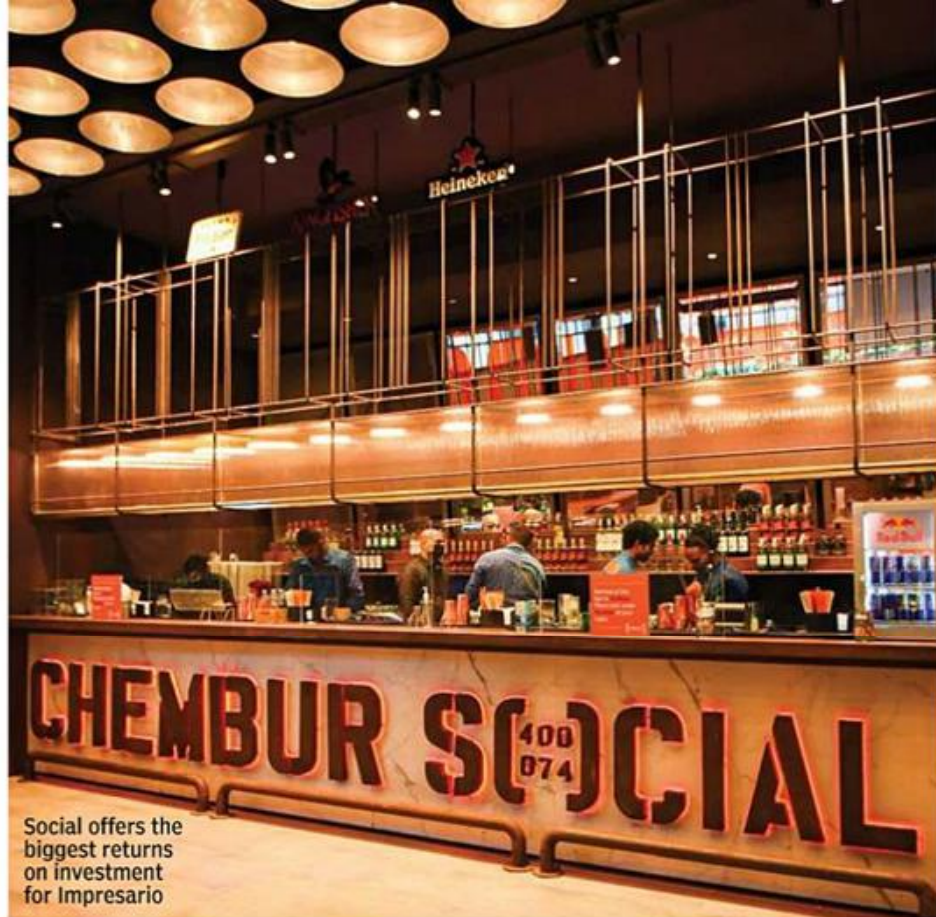
from the 28 outposts that have sprouted across the country in seven years. “It was a disruptor. It had all the ingredients to be successful in all sorts of markets across the country,” says AD Singh, veteran restaurateur, and the founder and managing director of Olive Bar & Kitchen. “Too many people rush into opening new restaurants. Riyaaz has the 360-degree vision to create products that last.”

With Social, Impresario found the sweet spot that had been amiss in both Mocha and Salt Water. “Our APCs were ₹900-plus, way higher than Mocha, and we had 5x table turnarounds than Salt Water,” says Amlani. Social also offers the biggest returns on investment for Impresario, bringing in 70 percent of the business, and breaks even in 18 months—“QSRs usually take four and a half years,” says Amlani. Smoke House Deli is the next-best performer with 20 percent of the business and a breakeven period of two and a half years.

“Social was a brand just right for the time,” says Anoothi Vishal, culinary analyst, historian and author of *Business On A Platter*. “I remember meeting techies at Social, who would usually want to be seen at expensive bars. It was cool to go to Social even though the prices were inexpensive.”

Vishal also ascribes Amlani's success to putting his personal ambition as a restaurateur on the backburner. She recalls the Smoke House Room, a fine-dining project that Amlani set up in Delhi in 2011, which, she says had excellent food, but was too formal and expensive. “Delhi didn't accept it and he lost ₹12 crore on the project and shut it,” she says. “Unlike other entrepreneurs, he didn't fall into the trap of continuing with it despite not making money.”

With it, Amlani also learnt from his mistake of straddling two boats. In the wafer-thin margins of the F&B industry, one can be either a limited super concept model, like Olive, or



Social offers the biggest returns on investment for Impresario

one that chases the economics of scale. “Restaurateurs slip up because they get mixed up between the two models, trying to force something not inherently scalable to scale,” adds Vishal. Amlani realises the need to have a multi-brand portfolio to help his company go both deep and wide, but is cautious enough to assign specific roles to individual brands—a Social will help him scale up to 300-plus outlets, while only a few of boutique restaurants like Slink & Bardot and Soufflé I S'il Vous Plait.

In 2017, L Catterton, the world's largest consumer-focussed global private equity firm backed by luxury multinational company LVMH, bought a controlling stake (of 70 percent) in Impresario, buying out Shahdarpuri and Mirah Hospitality (which had invested ₹48 crore in the company in 2011). L Catterton invested ₹100 crore in the business that helped Riyaaz open up seven more Socials and five Smoke House Delis. “When they came in, our topline was at ₹230 crore. In three years, before Covid hit, we had a revenue run rate of ₹480 crore,” says Amlani.

“We typically identify trends that

shape consumer preferences, and drive purchasing behaviour, and then partner with the founders and the management of companies that stand to benefit from such trends, to put them on an accelerated growth path. Impresario was a good example of this approach,” says Saurabh Mehta, investment principal at L Catterton and director, Impresario. “With brands like Social and Smoke House Deli, and dining concepts which already had proven strong unit economics, in Impresario we saw an immense potential for further growth.”

Over 20 years, Amlani's business has been built on the soft skills of catching a trend early. With the pandemic headwinds tapering off, he, along with Impresario, seems well poised to cash in on ‘revenge socialising’. He says he has been on the edge a few times before—when hookahs were banned, when only half of the funds materialised while Social was being planned, or when 40 percent of his restaurants were not allowed to serve alcohol due to the highway liquor ban. “I believe I've done enough net practice to play the Test match against Covid,” he says. **1**

Wealth flows from energy and ideas.

—**WILLIAM FEATHER**
American publisher and author

We can have democracy in this country or we can have great wealth concentrated in the hands of a few, but we can't have both.

—**LOUIS D BRANDEIS**
American lawyer



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Wealth is the ability to fully experience life.

—**HENRY DAVID THOREAU**
American naturalist

Contentment is the only real wealth.

—**ALFRED NOBEL**
Swedish inventor

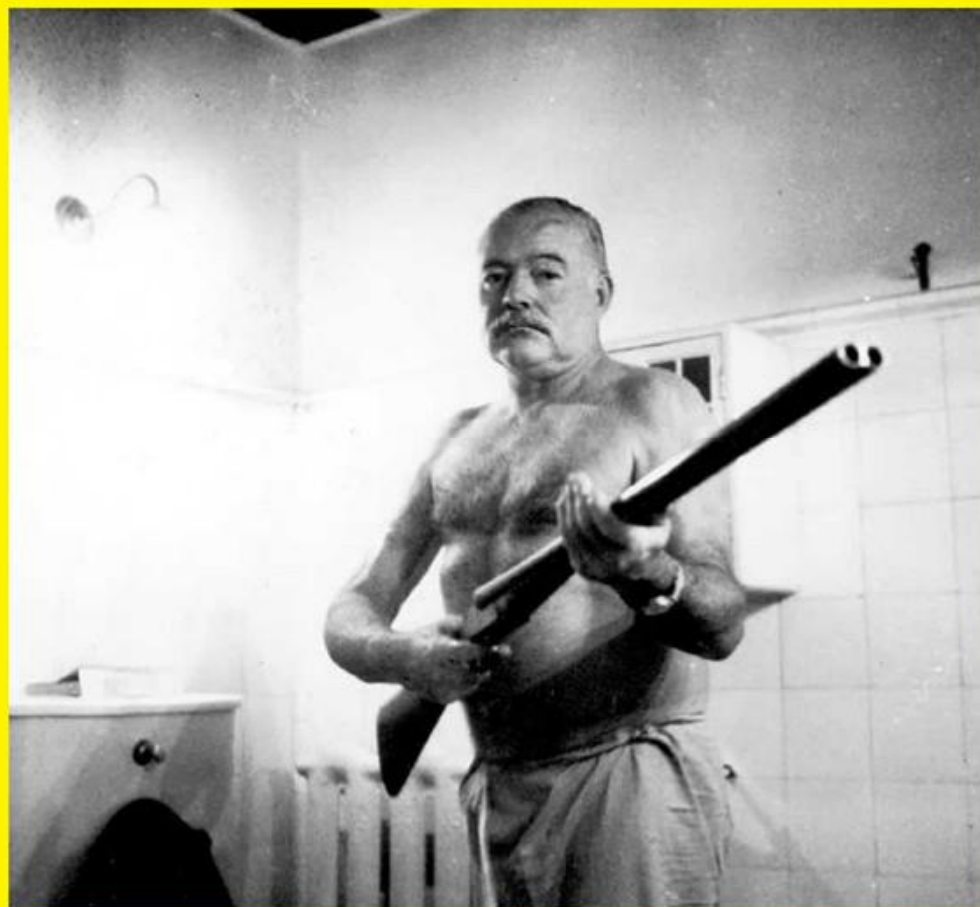
If we command our wealth, we shall be rich and free; if our wealth commands us, we are poor indeed.

—**EDMUND BURKE**
Irish statesman

Wealth and compassion are opposites.

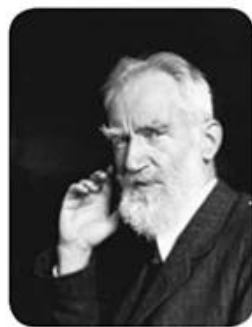
—**MUNSHI PREMCHAND**
Author

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Fear of death increases in exact proportion to increase in wealth.

—**ERNEST HEMINGWAY**
American novelist



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We have no more right to consume happiness without producing it than to consume wealth without producing it.

—**GEORGE BERNARD SHAW**
Irish playwright

How should we begin to make amends for raising a generation obsessed with the pursuit of material wealth and indifferent to so much else?

—**TONY JUDT**
British-American historian

It's pretty hard to tell what does bring happiness; poverty and wealth have both failed.

—**KIN HUBBARD**
American humourist



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I strongly believe that those of us who are privileged to have wealth should contribute significantly to try and create a better world for the millions who are far less privileged.

—**AZIM PREMJI**
Entrepreneur

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